

COMMITTEE ON FINANCE

April 22, 2006
Mayor and All Aldermen

9:00 AM
Aldermanic Chambers
City Hall (3rd Floor)

Vice-Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Long, Duval, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Thibault

Mayor Guinta was present for several portions of the meeting.

Absent: Aldermen Osborne, Smith, Forest

Vice-Chairman Gatsas called for the Pledge of Allegiance, this function led by Alderman Shea.

A moment of silent prayer was observed.

Vice-Chairman Gatsas advised that the purpose of the meeting shall be discussions relating to the proposed FY2007 budget as follows:

a) City Clerk

Leo Bernier, City Clerk, addressed the Committee stating before we begin there is a package that we have distributed the first three or four packets are the City Clerk's packet, the fourth or fifth is the Assessors providing some information the Committee requested, the next is from the Building Department and the last is in regards to the School Department. It is the information the Board has asked for.

As you know we were suppose to do this presentation last week, in front of you the top part should read budget presentation, I'm referring to the worksheet. It says the Mayor's proposed impacts. We'll talk about salaries. On the second packet, is the summary of Mayor Guinta, on page 3 it identifies a \$175,000 cut in salaries for the City Clerk's office he addressed the issue at that point. If you look

at my budget proposal we indicated to you that we would be losing certain positions but they been reassigned to different departments. We also have, and the Mayor addressed the issue, security guards going to Library and he put the funding there. He definitely did address the issue of what he did to the City Clerk's office so I have no qualms about that and I think we are all set with that the only thing that I would ask as we are continuing that one of the positions be reinstated, for the transcription of minutes and so on.

Mr. Bernier continued stating losing two positions it is going to slow down some of the services during the day with Vital Records and transcription of minutes, and I'll give you an example. If you recall a two weeks ago Alderman Gatsas wanted some information from yesterday's meeting and fortunately we had the transcription almost completed. That kind of service is going to slow down. It's just going to be impossible to keep up with all the transcriptions that we do. When I started this office in 1988 we transcribed over one mile of tape, and we are way beyond that at this time. The aldermen as well as the public is requesting that type of information and they want it quickly and that will slow us down to meet those needs. We have a concern with the Right to Know Law, that we can address by making copies of tapes, again that is going to take some time and slow down other work that we have concerns of. That takes care of salaries. Does anyone have any questions?

Vice-Chairman Gatsas ask how many positions do you currently have.

Mr. Bernier responded 15.

Vice-Chairman Gatsas asked if all 15 were full.

Mr. Bernier replied, no we have one vacant position, an administrative assistant.

Vice-Chairman Gatsas asked how long this had been vacant.

Mr. Bernier replied five months.

Deputy Clerk Johnson advised since January 24th.

Mr. Bernier stated four months.

Vice-Chairman Gatsas asked the cost of that position.

Mr. Bernier replied \$35,500.

Vice-Chairman Gatsas asked Ms. Lamberton have you done an updated sheet that was requested.

Alderman O'Neil stated she has, I looked at it this morning.

Virginia Lamberton, Human Resources Director, replied that she had sent it to them on Wednesday, the courier delivered them to you.

Vice-Chairman Gatsas stated he found his, the date on the top was 4/18 for those that were looking for it.

Vice-Chairman Gatsas stated the total that we are seeing in the Clerk's office is 20, and he had said 15.

Mr. Bernier stated we have 4 security guards and 1 vacant position, which comes out to 20.

Vice-Chairman Gatsas stated so the full complement is 20 employees.

Mr. Bernier stated that is correct.

Vice-Chairman Gatsas stated and this shows us a total of two vacancies.

Mr. Bernier replied that's right; the security guard is one I think. I don't have that in front of me, what you have.

Vice-Chairman Gatsas asked how long has that been vacant.

Mr. Bernier replied about a month.

Alderman O'Neil stated Leo, the positions that are recommended for reassignment to I think, one to central purchasing.

Mr. Bernier replied that's correct.

Alderman O'Neil stated and one to somewhere else.

Mr. Bernier replied to the Finance Department.

Alderman O'Neil asked if he could identify the two positions in your department that you would lose.

Mr. Bernier replied it would be the Legislative Assistant your losing.

Alderman O'Neil stated to the best of your knowledge that's intended to go where.

Mr. Bernier replied Central Purchasing.

Alderman O'Neil stated okay, and the other position.

Mr. Bernier replied an Administrative Assistant III would be going to Finance Department.

Alderman O'Neil stated and that's the current vacant position.

Mr. Bernier replied that's correct.

Alderman O'Neil stated and that goes to Finance for what's being referred to as the lockbox program.

Mr. Bernier stated right, I think the Mayor addressed that issue in his memo.

Alderman O'Neil stated we have an awful lot of paperwork in front of us.

Alderman O'Neil stated and the security officers would go.

Mr. Bernier stated two of them would go to the Library, currently there is four part time positions it was an umbrella we used to take care of the Library and City Hall. The Mayor has transferred \$30,000 to the Library and also reinstated the City Clerk's office with \$30,000.

Vice-Chairman Gatsas stated so let's go back to the security guards for a second cause I'm seeing security officers. I assume that is one person or a total of four, a total cost is \$25,000.

Mr. Bernier stated he was not sure where he was getting the \$25,000.

Vice-Chairman Gatsas stated he was going off the sheet Mr. Lamberton gave them.

Ms. Lamberton stated if you look at, there's annotations, there is four people but they are all part time and then that amount of money is what one full time security officer would cost at the minimum. And so, if you have four part timers you're going to really have to start multiplying it out.

Vice-Chairman Gatsas stated I hear what you are saying so I'm just looking for the total cost in your regular salary line item.

Deputy City Clerk Johnson responded it was \$70,000, if I could just add comments, it was budgeted for \$70,000 for four positions. They were part time positions, two of which were for the Library and two were for the City Clerk. It's our understanding that the Mayor has budgeted \$30,000 for City Hall for two positions, and \$30,000 at the Library for two positions, and reduced it \$10,000, just didn't budget for it, it must have gone someplace else in his budget I presume. He reduced the \$70,000 to \$60,000 and then split it between the two departments, as I understand it.

Mr. Bernier stated that's correct, the appropriation was \$70,000 and the mayor gave \$30,000 to the Library and kept \$30,000 in the City Clerk's office.

Vice-Chairman Gatsas said so let me try to make this a little simpler. If I took the current budget of 06, just worked off of that base, we need some base to start from, that base is about \$849,000. What you are saying to me is that it has been reduced by \$30,000 because two of those people have gone to the Library.

Mr. Bernier replied that's correct.

Vice-Chairman Gatsas stated so your base goes to \$819,000 is that correct.

Ms. Tricia Piecuch, Deputy Clerk of Financial Administration, replied that's correct.

Vice-Chairman Gatsas stated so the \$819,000 is an adjustment down.

Mr. Bernier replied that's correct, from the 06 budget.

Vice-Chairman Gatsas stated well we've got to work off an 06 number so we can work it forward, because if we don't start from a number that makes sense we're not going to be able to get anywhere.

Alderman Lopez stated if they are referring to any papers since we have so much can we make sure that we are all on the same page.

Vice-Chairman Gatsas stated I'm working off a page that we originally started with that says budget presentation. I'm working with that one; I'm working with the employees.

Alderman O'Neil stated it might be helpful the budget presentation is dated April 14th and April 18th is the two documents we are working from.

Alderman Lopez stated so the line number you were speaking of was what.

Vice-Chairman Gatsas stated 110 in the 06 budget.

Alderman Lopez stated with is \$849,013.

Vice-Chairman Gatsas replied right, and that was a reduction of \$30,000 and two employees.

Mr. Bernier stated that's correct, for security guards.

Deputy Clerk Johnson noted it was \$40,000 actually because he did take an additional \$10,000, if you are working from the \$800,000 number because it was budgeted at \$70,000.

Mayor Guinta stated the FY06 appropriation was \$70,000 for four part time security officers, all in City Clerk. And, City Clerk was responsible for the security at this complex and at the Library. What I did was rather than the City Clerk manage security at the Library, I gave that portion to the Library. In my calculations I assumed that we could perform that same service not at \$70,000 but at \$60,000 total so I gave \$30,000 to Library and \$30,000 to City Clerk. So there is still four part time employees who are at Library, two are here, the FY06 appropriation was \$70,000, the FY07 proposal is \$60,000, \$30,000 in each spot.

Vice-Chairman Gatsas stated I understand and we have to start with some number or we are going to loose track here, so if I look at the 06 number, that 06 number has been changed to \$809,000 in the salary line with two less employees.

Mr. Bernier replied that is correct.

Alderman Shea asked of the Mayor, when you shifted this is the same services going to be performed before you shifted this or is there going to be less service, in other words, at one time are one person at the Library and three people here or were there, or how is that going to impact the service.

Deputy Clerk of Licensing, Matt Normand, stated we had two security officers at the library and two at City Hall.

Alderman Shea said so you are going to keep them the same except for the allocation.

Alderman Lopez stated you mentioned a number of \$809,000.

Vice-Chairman Gatsas stated that's correct, I took the \$70,000 out to start with a base, excuse me \$30,000, \$40,000, out of that line item.

Alderman Lopez stated out of 06 budget.

Vice-Chairman Gatsas said out of the 06 budget I took \$40,000 out, \$30,000 will be transferred to the Library so we'll increase the Library 06 line item by \$30 and start from there and work backward and add their two employees. There was an additional \$10,000 that the mayor reduced out that line item. He didn't reduce it out of the 06, he did it in his budget but I just, I'm trying to get a calculation so we know what 06 looks like before we move forward.

Alderman O'Neil stated before we come off the security guards, and I think Matt handles the security, am I correct to say that when this was structured with the part time being controlled by the City Clerk it was if a position was short at Library, it gave you a chance to move four people whereas now you have your two people here and library has two, if somebody is out sick there may be no coverage.

Mr. Normand replied the way the schedule is, if someone is sick there'll be no coverage.

Alderman O'Neil stated at either place.

Mr. Normand stated primarily at Library is the concern because they have every day, six days a week they have somebody there.

Alderman O'Neil stated question for the Mayor if I may. Your Honor I know you probably trying to streamline things saying that they are at the Library they belong there etc., but what about the discussion that they can move people around to fill time slots that may not be covered because of illness, vacation, vacancy, etc.

Mayor Guinta so if they have two and one is sick what's the option.

Alderman O'Neil stated I believe if they need somebody here they move somebody from the Library or vice versa.

Mayor Guinta stated typically they do, the thought that I had was just to try to give Library complete authority over their own operation. I think that's my preference, I'm certainly willing to work with the Board if the Board thinks that it's better managed here I think that's up to the committee. One of the things I was trying to

do was have the director of the Library responsible for the people that are over there. I looked at it from the perspective that maybe they can contract out, maybe they can have flex hours, maybe they can have a little more oversight over the people that are providing that security service.

Alderman Shea stated that was the primary question I was asking because before you had the flexibility which you could obviously not have overtime or not have immediate circumstances that's what I was mentioning when, in other words did the system before this change work favorably, were you able to do certain things like that.

Mr. Normand replied the system works okay now, it allows us that flexibility. I know the Library gets concerned if there is no security there at all.

Alderman Shea said so if you didn't need someone here you could shift them over there.

Mr. Normand replied correct.

Alderman Shea stated but now that will be removed. Thank you, that's what my point was.

Alderman Duval stated question for the clerk and/or any other person who may have the information. What's the history of having the security positions in the city personnel as opposed to contracting out for security services where you might have the flexibility that Alderman O'Neil was speaking of. Have they always been employees or have we contracted out for security services, I guess that's my question.

Ms. Picuch stated we had previously had Pinkerton that was the one doing the security services for City Hall and we found it to be much higher to be paying an outside agency than it is to pay a part time employee that has no benefits, because we still need to pay them benefits, uniforms and they had to undergo training like our guys do, but the cost was much higher and the reliability was not there.

City Clerk Bernier advised there were administrative costs.

Alderman Duval stated okay, so we do have a historical perspective.

City Clerk Bernier then addressed overtime stating currently the mayor had zeroed it out, there is an explanation. Our concern is that we do have to be open on Saturday, I usually give the staff the option if they want to get overtime or take some time off, and what's going to happen with the reduced staff there is going to

be some critical times that we will be lacking coverage, and also we do have some election day activity it starts at 4 in the morning and ends like 11:00 at night so as you know it's beyond the 8 hours and most of the staff like to have the overtime. We also that's a concern. The thing is we could be creative and asking the poll workers to close the polls down for us and just pick up the equipment but the problem is as we have explained in previous years the average age is 60 plus, I just don't want anybody to get hurt. So that's important. We did request \$14,000, I think we could do it at \$10,000 if the Board wishes to do so. I anticipate this election will be a much lower turn out, less activity, so there will be less overtime.

Alderman Lopez stated he had a clarification and maybe HR could help me out on this. When I was chairman of the HR Committee there was some employees that did not want to volunteer, what's the policy on salary employees for example if a department head said hey take the day off this week and work on Saturday, does that employee have to comply or is there some requirement that there has to be an agreement by the employee.

Ms. Lamberton responded there is two answers because you have two different types of employees. You have exempt and non-exempt. The exempt employees you probably have a little more control over as far as flexing their time goes. The non-exempt employees you have federal laws that provide guidance to you and no matter what you are doing or why they can never volunteer, that's called suffered time, and secondly once they hit 40 hours you are required to give them money at time and one-half. We also have an ordinance that requires us to when an employee says yes, I'll take compensatory time, if they work 4 hours we have to give them 6 hours off within that same work week. And so if we are going to start talking about flexing time for non-exempt employees we need to revise the ordinance to allow for them to accrue the comp time for much more than one week. So if they had a schedule, a busy week, and somebody was already on vacation and then somebody got 6 hours of comp time you may end up with nobody there.

Alderman Lopez stated Leo, all your employees exempt.

City Clerk Bernier replied no only three, myself, Matthew and Carol.

Alderman Lopez said thank you.

Deputy City Clerk Johnson stated if I could just add one more thing to that. Election day in November is actually a holiday, that requires all the non-exempt employees to be paid overtime because it is a holiday, so election day is actually time and one-half for any staff person other than those that are exempt in the clerk's office, so basically Matthew, Leo and I don't get paid for the day at all, but

all the other employees that have to work that day for us from 4 in the morning till whatever time it's considered at time and one-half. Now we do try to cut that down by trying to offer them some time off later in the week because everybody is so exhausted, but it requires some of the employees that we still have to maintain the office being open so we only have so much latitude in that, and obviously it's only if the employee wishes to do that under federal law.

Alderman Thibault stated Leo brings up a real good point here that I think should be considered. Most of the people that we have working at the polls are 60, 70 and 75 years old and if we are going to ask these people set up in the morning and break down at night you're talking about a 16 hour day, 15 hour day for some of these people and there's major problems that some of these people could get hurt at that age, so it's one thing that I really hope we'll look at that, either get some younger people at the polls that could handle this or end the chance of someone really getting hurt.

Alderman Long stated Leo, I'm looking at the 06 expended HTE 4/11/06 overtime line item, \$12,119, can you give me an IDIEA of percentages of what percentage whether it's non-exempt or exempt employees. Or is this election related.

City Clerk Bernier replied exempt we don't get any money at all so.

Ms. Piecuch stated that's correct. Exempt employees are not eligible for overtime, and when we did in the February 2006 response to budget inquiries to the Mayor when we reported out at that point, \$10,538 of the overtime monies were based on elections, both for the primary and general.

Alderman Long stated so at least 90% is not employee related with respect to the clerk it's election employee related.

City Clerk Bernier replied it is City Clerk employees but on election day they all participate all the employees at the City Clerk's office are the ones who get overtime who participate in the election.

Alderman Long stated these are election workers or regular employees.

City Clerk Bernier replied regular employees.

Alderman DeVries stated I would like to start with a note because your department has a salary line item in the \$800,000 range and we are talking an overtime salary line item here of your request \$15,000 or \$14,000 it's not a significant number, but that being said you did ask to go from \$14,000 to \$15,000 in your overtime is that

because of the election day falling on a holiday this year or was there a specific reason that you anticipated the extra hours.

Ms. Piecuch replied stated we looked for the increase based on the new HAVA regulations that are coming down. The training of the election officials this year is going to be extremely intense, we have a lot new guidelines coming down, a new state ballot for the general ballot, we have new accessible machines that they are going to have to be trained on, so that's why we anticipated the additional overtime.

Mayor Guinta let me give just sort of a quick explanation of my thought process in this line item. Two major points. First I'm asking obviously every department head to be very creative on how we spend our dollars particularly given the fact that I think we need to go in the direction of tax relief. But secondly I think in the more important discussion to have relative to this particular line item for City clerk is the question of exempt employees versus non-exempt employees, and I question and wonder why out of the 19 or 20 so people in the department, only 3 are exempt, I think particularly at the deputy clerk level. If those positions at the very least were exempt, as I think they have been in the past, and again I think this is a policy decision I think this Board has to have through the HR Committee, but if you had a greater number of exempt employees in this department first of all you'd reduce the overtime pay over the year, and you could require those people to conduct what the clerk's office is responsible for which is in part election. This is my thought process and my approach to this is to force the policy debate during the budget process.

Vice-Chairman Gatsas stated Leo, I had requested a 3% cut. Looking at the 3% cut out of your 06 budget cause if we go through this line item by line we are going be here until. I'm sorry Alderman DeVries did you have a follow up.

Alderman DeVries stated I just thought that I would like to hear the department's response to that comment and because I can certainly appreciate where the mayor is coming from and I just didn't know if there is a reason as a department they had looked at exempt versus non-exempt. Let's finish one thought before we move on to the next thought is why I would ask the question.

City Clerk Bernier replied as you know in 1999 Yarger Decker did an evaluation of the City Clerk's office they looked at every position and they were classified at a certain level. As some of the deputy positions are below, I guess the mark is grade 20, if you go, Ms. Lamberton is waving to me here, anyway it was done through Yarger Decker, it was assigned that way, and it was identified a grade and that grade did not fall into that category, so that is where we are at.

Deputy Clerk Johnson added the deputy positions reviewed by Yarger Decker were actually not classified as deputies, they were classified a variety of different ..I think a business service officer and those types of things. Our issue with that was that under certain statutory requirements if you are not considered a deputy, if it isn't in your title, and you can't sign as a deputy, you can't certify a document. We asked the solicitor's office at the time to review that, because we had no objection to what they were called because we had a list of job duties that they were performing, if they are not called a deputy according to what the solicitor has said and also according to what we had received from the Department of State at the time, they can't certify documents. You actually only have one deputy. You have Leo, who is the City Clerk, and you have a Deputy City Clerk. The rest of the deputy positions are called deputy clerk and they are assigned to a specific division, and the reason for that is that if for instance Leo is on vacation and Carol is up here in the Chamber at a meeting, or someplace else or out sick, somebody comes to the counter and needs a certified record of a road hearing, or they need certified of a death certificate or birth certificate that then has have an apostolate seal on it because it's going out of the country, and a variety of other things particularly since 9/11 that require original signatures, the only original signature that can go on the document is a deputy signature, so the positions are called a deputy but in reality they are not at the same level as a deputy city clerk would be. And that was what Yarger Decker determined which was why the positions are salaried much lower. They also went through the process at the time for all city positions under the federal laws as to what is exempt and what is non-exempt. Our positions in our office which we had asked to be exempt a couple of them were determined to be non-exempt. So that was based on a review that we had no control over at the time and certainly if the HR director wanted to go back and review those again to determine that we'd be happy to go through that process but it was the law as I understood it at the time.

City Clerk Bernier stated so as deputies, the other three deputies do not get any additional monies for that title.

Mayor Guinta stated a couple of comments. Number one I'd be curious to know what the statutory requirement is, how many deputies do you actually need, number two do we need the number that we actually have to perform some of the responsibilities that the Deputy City Clerk has just identifying. I don't know how often Leo is on vacation, Carol is in a meeting, and there is an emergency in the City Clerk's office that would require significantly more number of deputies that we already have. The other point I would have I think it is incumbent upon a department head to from time to time review their overall structure and staff to try to figure out how to match their personnel to the responsibilities that they are performing. Quite frankly, even though Yarger Decker came in in 1999, which was I think we have all had our internal though processes about whether Yarger

Decker is working properly. If we feel that Yarger Decker is perfect then we should continue to refer to it, but I don't know that we all agreed on that point. I think we probably agree that it needs to have some sort of structural improvement so to defer to Yarger Decker from 1999 and not look at this until 2006 I think is probably, and something I hope doesn't happen in the future, have department heads look at it, we have an HR committee who should be looking at it. I do believe there are statutory requirements about having a city clerk and a deputy that's true but how many do we need, and I think that's the policy decision that we need to start to have.

Alderman DeVries if I could ask an additional question because this is something we are going to see throughout our departments that are non exempt, so we are all clear on what drives exempt and non exempt I would ask the HR director if she could clarify the discussion before us on exempt and non-exempt because the last thing that we want to do is to push the city clerk or any other department to avoid 14,000 or \$15,000 of overtime, to push them into a higher classification where we are actually paying more in base salaries for individuals. So maybe you could clarify for me the thoughts we just heard.

Ms. Lamberton I know everybody always refers to Yarger Decker, but really it's not Yarger Decker, it's the Fair Labor Standards Act which is a federal law, and it really doesn't make any difference what you call a position, what's important is what the duties are to the position. And there is a thing that is called the test and you apply a test as you review the position and the duties and that's what distinguishes the positions between being exempt and non-exempt. And so just by changing a title has no impact whatsoever on the status of exempt versus non-exempt. I could tell you that certain positions there are called deputy and in other departments they are called administrative service manager but they are still non-exempt, they still get overtime so it doesn't make any difference what you call them. It's federal law. And I don't think the city had an awareness of that before Yarger Decker and Yarger Decker brought that to the City's attention cause there were law suits all over the United States, in Texas in particular it was Garcia vs. the State of Texas where they were paying their probation/parole officers I mean identifying them as exempt and they went to the court system and they were determined to be non-exempt and the State of Texas paid out millions, and millions, and millions of dollars to come in compliance with the fair labor standards act. So we have to be careful about that because people can file a complaint against us, there's penalties, there's back pay, we have to be careful and we are careful.

Vice-Chairman Gatsas stated Ms. Lamberton this report that you gave us is a very, very good report however, is there any way you can take this report, we don't need to employees names but after the title give us what their actual wages are because

this gives us a base salary, look at the salary numbers against what the salary in the budgeted numbers are, it's very difficult to try and associate where those numbers are moving so when you look at, you know, I'm looking down here and it says City Clerk, and it says base and it says 66 I really don't know if everybody is in at 66 so that when you listen to where the mayor was going is of eliminating the clerk's position or assistant clerk's how that reflects to a budget. So if there is any way that you can, is that a difficult thing to do.

Ms. Lamberton stated well you would have a stack of papers like this (displayed very large) for the whole city, because they are going to be at different steps, you have longevity steps, merit steps.

Vice-Chairman Gatsas stated he did not need the steps, I don't need the steps, all I need is for the appraiser technician of the employee that is there, what that wage base is, or wage that number is, the actual pay.

Ms. Lamberton replied but when you have multiple employees in it like with police officer you are going to have a list of a hundred people and what their salaries are.

Vice-Chairman Gatsas stated but that's okay, because I think that is going to get us to a position that obviously if you just put them on a single page by department, I notice you did it well here and it is easy to follow but the problem is it doesn't give you a correlation what you have on this other sheet so if you eliminate a position you know that you have eliminated \$30,000 maybe that person is really at \$50,000.

Ms. Lamberton stated she would see what they could do.

Mr. Bernier stated I think we have the paper you are looking for.

A breakdown of the positions with salary was distributed.

Mayor Guinta stated if I understand you correctly you are looking for the actual wage for the current year for every employee.

Vice-Chairman Gatsas stated right, right now the current budget is \$849,000. I want to see how we get to that \$849,000.

Mayor Guinta stated that can be provided.

Vice-Chairman Gatsas stated because once you say that you have eliminated two of those security guards and put them there, I want to make sure that we're moving

two people but maybe they are earning \$80,000 and not the \$60,000 that we are looking at.

Alderman O'Neil stated I agree with where you are going, is there a correlation if the salary number changes with the benefits or is the benefits provided going to be pretty close, I guess that's for Ginny.

Ms. Lamberton the benefits I would leave alone unless you eliminate a position.

Alderman O'Neil stated meaning if I'm going to make this up a salary range is \$40,000 to \$60,000 and you may have taken the lower number here for the salary the benefit that's with it would be the same whether it's 40 or 60.

Ms. Lamberton replied it wouldn't, when you get to FICA and retirement contributions the higher up you go the more it's going to go up. We use the average of 33%.

Alderman O'Neil stated I hate to use him as an example but he's here, the City Clerk, the base salary of the City Clerk's position is \$66,706. The benefits are \$22,013, which is reflective of the entry level, is that necessary reflective on the City Clerk's actual benefits.

Ms. Lamberton stated on the current incumbent.

Alderman O'Neil responded yes.

Ms. Lamberton stated no, because 5% of \$70,000 is more than 5% of \$60,000.

Vice-Chairman Gatsas stated it's on this sheet so we'll get a clarification of where we are.

Alderman O'Neil stated to Ginny's defense this is what we asked her to do.

Vice-Chairman Gatsas stated I agree, she did a good job with it, I think that when we start looking at these numbers its very difficult to get back to an \$809 figure when you look at these and you find out your at about \$500.

Alderman Lopez stated I was wondering if we could get down to the brass taxes of the numbers in the problems that the city clerk's going to have and all the questions are great I mean we could probably spend three hours here and go through I agree with the Mayor maybe the HR Committee could do an analysis later but if we could get down to the brass tax with the City Clerk because we have the school department coming in and it will take us a long time.

Vice-Chairman Gatsas stated he agreed. Leo, I had asked you for a 3% cut. And I noticed you did a comparison of the 3% cut.

City Clerk Bernier asked if he was talking about the sheet with proposal, the salary 3% cut, or talking about overtime now.

Vice-Chairman Gatsas stated he was just talking about the bottom line number, cause I don't want to try to manage your minutia in your department. I think it's important that you run your department, I'm just looking at the bottom line and saying can you live with the 1,316,000 the 3% cut from 06.

City Clerk Bernier stated yes we can.

Alderman O'Neil stated, just for clarification, your question was FY06 with the 3% cut, and the number is 1,316,444, and the answer was they could live with that is that correct.

City Clerk Bernier responded yes. Again the sheet that we are working off is explains exactly where the cuts would be.

Alderman O'Neil stated it is.

City Clerk Bernier stated budget presentation, I believe page 3.

Alderman O'Neil stated there are three recommendations for the FY07 that affect the City Clerk's office. One is the moving of some security people over to the Library budget.

City Clerk Bernier replied that's correct.

Alderman O'Neil continued stating the second is the implementation of the lock box program and a position moving over from the City Clerk's to Finance to do that and thirdly a position, the Legislative Assistant Manager to Central Purchasing.

City Clerk Bernier stated that was correct. Also the custodian that maintains the complex, I assume he would be staying here but that funding went to Facilities Maintenance, is that correct Mayor.

Mayor Guinta replied yes the theory there was just to align and have John report to Building Maintenance but he is still providing service to this building.

Alderman O'Neil stated and I think those discussions are great, unfortunately I'm not sure we are going to reach a conclusion by the time we adopt a budget.

Mayor Guinta stated but just for edification at least that the.

Alderman O'Neil stated how do we leave the door open to have those discussions before the second Tuesday in June, I'm not sure we are going to get through all that. It's probably going to be an ongoing thing. How do we leave the door open, if we move the two security guards to Library and then we determine it's not working out we should go back to the old way, how do we do that I guess.

Mayor Guinta responded the short answer is I'm not sure, I can tell you on that particular issue there is not a fiscal impact beyond the reduction of the \$70,000 in the request and the \$60,000 that I appropriated if they are moved back and managed in the City Clerk's office.

Alderman O'Neil stated I guess if \$30,000 is put in the Library budget and then we determine three months into this it's not working and we want to move the responsibility including the budget back to the City Clerk how do we do that. It doesn't change the bottom line it's just a matter of where the money is.

Mayor Guinta responded I think it would require and maybe the city solicitor can verify this, but I think a transfer of function from one department to the other requires a vote of the full board.

Assistant Solicitor Arnold stated that's correct.

Mayor Guinta stated so we have a recourse, first of all if we decide that we want to do this and it doesn't work because we are lacking flexibility, we as a Board have the ability to move it back here.

Alderman O'Neil stated or I'll use the central purchasing. Let's say we don't get there by the second Tuesday in June but there is some interest in exploring it more and we decide half way through the fiscal year to do it, how does that work.

Mayor Guinta stated well I did meet with the City Clerk and City Solicitor Thursday afternoon we started to set out the time line as Alderman Lopez had asked for and said I would have something coming to the Board by this coming Tuesday which we will, the Solicitor is reviewing the existing ordinances that are already in place for Central Purchasing and Fleet. So he is reviewing that and we are going to talk again on Monday and try to give this Board a little further direction on that.

Alderman O'Neil stated okay but my question is what if we don't reach a conclusion by the second Tuesday.

Mayor Guinta stated well we could always vote in, because we have an ordinance of Central Purchasing and Fleet Management there is already the ability or flexibility to do that. The City Solicitor is reviewing those ordinances to see if they are outdated or if they need to be outdated.

Alderman O'Neil stated I understand, but if we don't have it set up by that time, and there's a vote in August to do it, we can then transfer the appropriate money to a central purchasing.

Mayor Guinta replied yes, you know theoretically the vacant position, if we can't do lockbox for some reason procedurally before June, let's take all three Fleet Manager, Lockbox, and Central Purchasing, and the Facilities person, then those dollars would come back into the City Clerk's office, the lockbox position is currently vacant. John, the salary line item would still be in the City Clerk's office, the legislative assistant would still remain, and would probably advocate for moving that same individual in August or whenever it would be that we could implement it.

Alderman Shea when we are preparing the 3%, will all the departments break these things down or is going to be similar to what we are going through now in terms of how this impact would have on the department, in other words as you broke down the mayor's budget you indicated to the Mayor what the implications would be, but when we are doing this by voice verbally, and we don't have the same procedures that we do with the mayor's breakdown, I'm just wondering how this board can make a decision as to whether we should approve a budget predicated upon the 3% for a department, or on the mayor's budget, whether one has to be adopted in entirety or whether we are going to break down every particular department and have that implication, I think that's what Alderman O'Neil was going at because it become convoluted here. In other words we're having six of one and half a dozen of the other but we just don't know the full implications and that's probably a suggestion. I don't know what the other departments are going to do, but if we run through this scenario with every department we are going to have to have a long list of well this is going to be the impact here and this is going impact there and this is going to be impact there. When you break it down according to the Mayor's budget we know exactly what the implications are going to be according to what your situation might be but we don't in the other instance and I think that's where it become convoluted for us.

Alderman Lopez just for clarification, on your 3% cut and using the figure that you said you could live with \$1,316,444, that's losing two positions is that correct.

Deputy Clerk Johnson noted yes.

Ms. Piecuch stated that the number that we provided you for the breakdown of the 3% was \$72,000 in salaries or an 8% cut, but if we were to back out the \$40,000 for the security it would leave us with a \$32,000 reduction in that line item. So it would possibly be one position that would be cut.

Vice-Chairman Gatsas stated or you could move it in other line items and not cut a position.

City Clerk Bernier responded that's correct.

Alderman Lopez stated right. In that money that's not the positions that would leave, would the money still be in there if we were to transfer the two people out of there from the \$1,316,444, and you still can live with it

City Clerk Bernier stated if I understand your question correctly, if we move those two positions the mayor wants we would have to minus from the \$1,316,444.

Alderman Lopez stated okay, but the money is in there.

City Clerk Bernier responded that's correct.

Alderman Lopez stated I don't understand the loss of two full time positions that you have indicated on the 3% cut, explain that to me.

Deputy City Clerk Johnson stated the two positions was the equivalent of the cut which was originally \$72,000 or thought to be, the big difference in the 3% was going down the line the operational expenses because we were cut 54% in those line items. But in terms of the positions once we got some clarity as to what the Mayor's intentions were, I think what Leo is saying is it really would have the equivalent of one position cut, because we are presuming at that point that the custodial position is now funded through the Facilities Division as well as the security at the Library, but I would caution the thought process of we would have the full funding at that point for both positions, because if we are losing one and you have a vacant AA position it's probably going to narrow down to that.

Alderman Lopez if you could look at that and give us on the 3% that Alderman Gatsas has here, if you can clarify that in numbers of what that means I'd appreciate it.

City Clerk Bernier stated you are talking about the \$72,000.

Alderman Lopez responded yes.

City Clerk Bernier replied it's currently right now we have one vacant position.

Alderman Lopez stated I think what Carol is saying, you are assuming that the custodian is going to be picked up by Building Maintenance.

City Clerk Bernier replied that's correct.

Deputy Clerk Johnson noted, and security by the Library.

Alderman Lopez stated so if Building is going to pick it up and you've been paying it where are they going to get the money.

Mayor Guinta stated I transferred the dollars from City Clerk.

Alderman Lopez stated but we are not working on that number so that's the point I want to make so you are going to have to transfer the dollars out of here and maybe a clarification needs to be made on the numbers.

Vice-Chairman Gatsas stated I think when he is done you are going to be greater than the 3%, once those things happen. I just haven't adjusted them, I just asked him on the 3% come back to us without eliminating positions, cut line items, you got a bottom line run your department, but don't tell me you are going to run it because we are moving people. He could end up being at a 4% cut when we are at the final and maybe some of that's got to be added at another department.

Deputy City Clerk Johnson added that part of the reason that the Clerk's office is saying that it can live better with the 3% cut is because of the operational expense side, which eliminates for instance manpower for election nursing home assistance, and it shorts us funds for the Memorial Day and Veterans Day and rental of sound equipment. If we use the example of the public hearing that's about to held next week, that a \$1,000 cost to that line item that's been cut. Those are generally all line items dealing with City operations, not the Clerk's operations, it has to do with the Chambers, or with City events that have been assigned to us.

Vice-Chairman Gatsas stated I think we can survive another year without cameras in this Chamber for 41,000.

Deputy City Clerk Johnson responded right, in the 3% cut that's really all we are saying that's being eliminated on operational items.

Mayor Guinta asked if in the 3% cut, are the cameras in that proposal?

Deputy City Clerk Johnson responded no.

Vice-Chairman Gatsas stated Your Honor, all I'm saying, I'm using the number from the 06 budget taking 3%, going down removing his people, and then coming back because he may end up being at a 4% but I don't think we should be putting cameras in there I think the Clerk said he could live with a \$10,000 expense for overtime, I'm not looking to cut him in paces that we shouldn't be playing with in the middle of the budget, he's running the department, he's been there since 1988, let him run the department here's your money do the best you can.

Mayor Guinta a couple of points I would make on the camera issue. There is an equipment account to the tune of \$900,000 which if we needed cameras it shouldn't be paid for by taxpayer money. And I did ask Grace Sullivan for an estimate and her estimate was \$45,000 and the request from the City Clerk was \$65,000, so there are concerns I have there with lack of preparation for example in that one issue. And just to reiterate some of the things that I am doing in my budget which.

Vice-Chairman Gatsas stated just for clarification Your Honor, there is not \$900,000 left because we gave MCAM a big piece of that.

Mayor Guinta said right, it's far less but there's certainly enough if we need to replace.

City Clerk Bernier requested Ms. Piecuch address the \$65,00 versus the \$45,000.

Ms. Piecuch stated when we put in the request for the \$65,000 it was information that was provided to us from MCTV that was like 2 years ago, but we now know that we have taken it out of the budget, and that it should look at MCTV for that cost.

Mayor Guinta asked why would you put a request in for \$65,000 for FY07 based on numbers that are 2 years old.

Ms. Piecuch stated it was about 1 ½ years ago because that's when they provided it to us. So we took in a cost increase.

Mayor Guinta stated you took the liberty of just increasing.

City Clerk Bernier stated it was based upon the information that was given us.

Mayor Guinta stated that was the kind of thing that we need to do a little better job in, because it was a simple phone call for me, and the request was \$45,000. Again what I tried to do in the budget, I went through every line item as I think I should as the budget officer and again, I am willing to work with any department head to make sure that the requests are accurate and a proper reflection of the current cost. The only other issue that I would ask is on the 3% cut for each department do we know what tax impact overall on the budget that is, has that been provided.

Vice-Chairman Gatsas stated Your Honor, we are starting with a clean sheet of paper over here I think Alderman Shea will tell you that.

Mayor Guinta stated but if there is a 3% cut and everyone says they can live within the 3% cut, which I don't know if that is going to happen with every department, I suspect it won't, but I'd like to know what the overall tax rate would look like.

Vice-Chairman Gatsas replied we haven't even got to a tax rate, we haven't even got to a total.

Alderman Lopez stated all you have to do is take the 06 budget back out 3% and Kevin can figure that in 10 seconds.

Mayor Guinta stated it's not that easy.

Alderman Lopez asked why.

Vice-Chairman Gatsas stated well I guess what I am going to ask the Clerk is that think you came before us last Monday, talked about revenues.

City Clerk Bernier stated that's correct.

Vice-Chairman Gatsas stated what I would like you to do for this Board for the next time that we meet is 1) your 3% impact, moving those people out as the mayor has done in his budget; and what the actual impact is because it will take you greater than 3%, and show us what your revenue number is. So I want you to work with your 3%, the mayors 2 people go to the Library, one to go to Finance,

you need to remove those wages out of your number, and come back to us with your revenues so we can look at your full department with revenues and cuts.

Mayor Guinta asked if that would include either the HR department or the Department Head making a recommendation to the HR about exempt versus non-exempt and look to try to find some efficiencies in the overtime number.

Vice-Chairman Gatsas stated I don't have a problem with that Your Honor, I just think that what we should do is move him to second base and see where we are by the first week of May and maybe we push them along to the next step to move it along.

Deputy City Clerk Johnson asked to clarify for the record what was asked because I'm trying to take the notes of the meeting as well. You are looking for the City Clerk to come back a 3% budget and it removes or sends to the Finance Department one of the positions, or both positions.

Vice-Chairman Gatsas responded no, the one position that goes to the Finance Department, the lockbox position, the two positions that the Mayor moved for security at the Library, and one other one.

City Clerk Bernier stated, central purchasing.

Deputy City Clerk Johnson asked if that was coming out of what was left for a balance, or are you saying take it from what we started with for 06.

Vice-Chairman Gatsas stated that comes out of the 06 budget, move those out, take your 3% cut and then move forward. I'd also like attached to that sheet a very definite number of what you think because of the implication of what was passed for legislation to help you out with licensing, what you think those numbers are, I've heard to the contrary that it includes doctors and lawyers and everybody else, and I don't think that that is where this Board is going, so I would like a much finer number when it comes to the revenue side so that we have a good IDEA of where we are at with revenue.

Alderman Shea stated what I would like to know from each department is we're working on a 3% reduction, at least I would like to know what the Mayor's proposed deduction is so I think in each department we can analyze what the relationship is between what his particular numbers in his budget might be and what the 3% on a black sheet of paper we are working on is going to be.

Vice-Chairman Gatsas stated that this number was on the second page that was presented.

Alderman Shea stated I don't mean this department but all departments, I know we have that on the clerk.

Vice-Chairman Gatsas stated and you will have that to us very quickly cause we will be having our second round of meetings with departments hopefully in a week.

b) School Department

Dr. Michael Ludwell, Superintendent of Schools, stated thank you for the opportunity to present our proposed budget. This year the City has requested that we simplify our presentation and work from a single spreadsheet. We have also attempted to provide all of the supporting documentation as requested and having said that I would ask that you turn to an April 20 memo from Mr. Sanders to this Board. We will start with April 20 if that is okay. If you turn to the first sheet that is the spreadsheet that Mr. Sanders will be making his presentation from.

William Sanders, Chief Financial Officer, stated I do not have any spare copies.

Mayor Guinta asked before they begin may I make a quick remark. I do have to leave at about 11:45 AM. I have to go through out the first ball at the bowling tournament for Big Brothers/Big Sisters. So if this is ongoing beyond noon I just wanted to let everybody know that for about ½ hour I have to step out but I will be back.

Mr. Sanders stated we have a one page summary of the Board of School Committee's approved budget for FY2007 that as the Superintendent mentioned is attached as the first page after my cover letter dated April 20. The one-page summary provides detail on the budget proposal amongst four different categories. What we refer to as Core Programs going across the top, Special Education, Information Technology, Athletics and our total requested budget and you can see the comparison then of the proposed budget for FY07 with our FY06 projection. Those projections are what we provided to the Finance Committee at the April meeting. If you move to the bottom of the page you will see it totals the current assessment and compares it once again amongst those four major categories to this year's budget. Overall, the budget request as approved by the Board of School Committee reflects a 4.1% increase over the FY06 budget. The core program column is up 3% from this year. Special education is 7.7% higher. Information technology is flat funded at this year's amount and the Athletics budget is 18.6% higher for a composite overall rate of increase of 4.1%. If we exclude special education spending from this year's spending and last year's spending the overall

increase is 3.2% for the complete budget. I will move down and just highlight a couple of the major categories of expenses for the district. The first one is obviously our largest category, which is the salary line item. We are requesting \$79,198,000 for next year compared with \$74,590,000 in the current year. We do have in the proposed budget for next year 12 additional positions. We have four that are currently funded by the IDIEA federal funding, which is for disabled disability issues. So we have four that this year we can fund through IDIEA but due to level funding, which is what we have been apprised of officially for IDIEA we will not have any additional money next year over this year and just by virtue of step increases and COLA increases as contractually negotiated we have to shift some people out of IDIEA so the proposed School District budget incorporates those four individuals. We also have two individuals in the same situation coming over from Title IIA. Title IIA is a federal grant related to classroom reduction. The same situation. We are assuming a best case that we are going to be level funded for Title IIA. If you go through the steps and the COLA increases and medical increases we need to eliminate two of the Title IIA folks and we have them moving over into the general fund. Then finally we also have six Title I teachers moving from Title I into the general fund. Once again we were assuming that our Title I money would be level funded and the more current information that we now have that we did not have at the time of the budget is that the overall allocation for Title I to the State of NH is going to be 4% lower next year than it is this year with what we have been advised by Concord so at a minimum Manchester can expect to receive 4% less next year than we are receiving this year consistent with the State allocation. We will not actually know what we are going to receive for Title I probably until late May. The same would be true for all of these federal funds.

Vice-Chairman Gatsas asked are you telling me you are receiving less money from the federal government.

Mr. Sanders answered for Title I yes. Those are 12 positions that we had to move out of our federal funding into our general fund. Then in addition we have two new positions that we need to fill. Both are special education related. One is an occupational therapist that we require and that would be a district wide occupational therapist to oversee and conduct occupational therapy across the School District. We are also requesting a speech therapist for the developmental pre-school and Hallsville. They will split their time between those. So if you add those two new positions and the 12 positions being transferred from federal funds that would be 14 additional positions. I thought it might be interesting to give you some flavor for the process that we have gone through to identify new positions. Obviously it begins at the school level with the principals...the ground people who know what they are dealing with. We received, the Assistant Superintendents received requests for 121 teaching positions across the School District from

building principals and other experts in the field. The Assistant Superintendents narrowed down that list to 38 positions. The Superintendent only funded what we were required to fund via the IDIEA law for additional positions. The two new positions and what we felt we could at a minimum transfer out of federal funds and still meet our federal fund allotment. So we started at 121 and ended up transferring 12 positions from the federal funds area. The next category I will briefly mention will be the employee benefits line item. As you can see for next year \$79 million is for salaries and \$27 million is for employee benefits. Well over \$100 million of our budget of \$148 million is related to salaries and benefits. Our benefit line incorporates all of the standard areas of health insurance, dental insurance, FICA, Medicare, State retirement, City retirement, worker's compensation and other miscellaneous benefits. 60% of our benefit line is health insurance so that \$27,418,616, \$16.2 million is health insurance.

Vice-Chairman Gatsas asked can you stop for one second. The salaries. Your negotiated contract with the teachers is what percent?

Mr. Sanders answered the teachers of the \$79 million are probably about \$60 million or \$61 million.

Vice-Chairman Gatsas asked and what is that percentage. What is the increase?

Mr. Sanders answered the COLA increases and the step increases for next year are about \$2.7 million.

Vice-Chairman Gatsas asked what is the percentage by contract. Not dollars.

Mr. Sanders answered the COLA increase is 2% next year. The step increases vary depending on what steps. The early steps more a little more so on a composite basis...

Vice-Chairman Gatsas interjected would you say it is an average of 1%.

Mr. Sanders replied I would say the step increases on average are in the 3% to 4% and then you would add the 2% COLA on top of that.

Vice-Chairman Gatsas asked can you get me a definite as to what that range is.

Mr. Sanders answered certainly. The second major category in the benefits line is our FICA and Medicare contributions and a little over \$6 million is for FICA and Medicare. In our budget, about 82% of our employee benefits is made up of health insurance and social security. In the preparation of our budget we assumed an increase in our health insurance next year over this year of about 11.5%. We

are experiencing favorable results in our health insurance program this year and we can talk later. We see some opportunity to bring that rate down to some extent going forward. The next major category I would talk about would be the professional services area, which is about 68% of professional services if you can see that line it is object code 322 on the spreadsheet. It is about the sixth line down. About 68.5% of that spending is related to special education programs where we are hiring outside professionals in the area of the visually impaired, nursing services, speech pathology, physical and occupational therapy and also in situations where we cannot fill special education positions that have been approved for employment but are having difficulties finding replacements. Other categories of cost are our legal expenses and legal costs for the School District are in there. We are currently projecting for next year that about \$150,000 would be needed for various legal expenses like personnel matters, special education and other legal matters that come before the District. Our audit fee is in there and then a variety of other special...

Vice-Chairman Gatsas interjected can I stop you for a second because each year you compare us budget to budget but when you get your budget on July 1 your Board meets and readjusts the lines. What I would like you to do is give us a comparison, not from the budgeted amount that you were presented to this Board but your reallocated amount that you did effective July 1 when you sat down and said okay we have now received \$142 million and where does that drop because these lines that we are looking at for the FY06 are off the FY06 budgeted.

Mr. Sanders replied no Sir. That is our current projection from our April Finance Committee meeting. If you are looking at the column on the far right.

Vice-Chairman Gatsas asked so those numbers are numbers that were adjusted but can you show us the numbers as you adjusted them in July.

Mr. Sanders answered certainly. If you would turn to...I am in the April 20 letter that I sent and if you turn back to what is at the bottom of the page it is page 1 of 7. It is handwritten. It is probably the fourth page back. It is a five-year expenditure summary and for each year if you look at the far left and I apologize for the small type but five years and all of this information is not easy. You have the Board of School Committee budget for this year as originally requested by the Board of School Committee in the first column. The second column is the budget that was reallocated after approval from the BMA and the third column would be the current projection for this fiscal year.

Vice-Chairman Gatsas asked so the professional services contract, that is legal fees.

Mr. Sanders answered legal fees are included in there. This year we expect to spend about \$190,000 on legal fees.

Vice-Chairman Gatsas asked can you give us a specific breakdown of that \$1 million.

Mr. Sanders answered yes I can. In fact in that same April 20 letter Alderman Lopez had written us a letter that is about halfway back in that package and if you look at the last nine pages approximately – page 1 of 9 provides the detail of our current projection by component and our FY07 budget.

Vice-Chairman Gatsas asked it is number what.

Mr. Sanders answered page 1 of 9.

Vice-Chairman Gatsas asked now the FY06 projected are programs that you have in place or are those...what are those numbers – the visually impaired, the nursing services...that is a chargeback I assume. The nursing services?

Mr. Sanders answered no that is not. That would be outside. The Health Department nursing services are part of our City services line, which I will talk about.

Vice-Chairman Gatsas asked what is that nursing service for.

Mr. Sanders answered these are specialized nursing services that we require for particular students like fieldtrips where we have nurses accompany disabled children. These would be above and beyond the City service's Health Department billings.

Alderman Roy stated two things I would like to see. On your Page 1 of 9 is under Special Education going with Alderman Gatsas' idea here everyone of those individual line items – visually impaired, nursing services, speech pathology, I would like to see a breakdown of how many hours, how many children, any type of tracking on that. It seems unless there is an exorbitant amount of children being seen across the City that we may be better off bringing more PT's and OT's in-house than going out and subbing contract services. The second part of that that I find interesting is the projected \$190,000 in legal fees. The City Solicitor's Office is just over \$450,000 in the FY07 budget. I have a concern and I would like to see a breakdown of...maybe we could bring someone in-house there at a far lower cost than paying someone hourly.

Alderman DeVries stated just to take that thought a little bit further because I believe I heard you say in your presentation that you had tried to hire in-house for some of the costs affiliated with the \$1 million in professional services of which $\frac{3}{4}$ or 70% almost is special education related. You did try to hire full-time positions for some of that so when you get the breakdown of services for costs on that if you can let us know if you had attempted to hire in-house and could not get professionals to come on board. It would be helpful to know that the attempt was made but professionals could not be coaxed into the City. Thank you.

Alderman Lopez stated I asked a lot of questions as you can see in your packet but be very careful because it has been testified before this Board from the City Solicitor's Office that even if the Solicitor's Office was to take this duty they would probably have to hire a specialty lawyer for special education. I would like to have Tom Arnold verify that. Is the City Solicitor's Office capable of doing this?

Deputy Solicitor Arnold responded we would certainly have to develop an expertise one way or the other. I would be concerned about the additional workload on top of what we already do. I am not saying that we couldn't develop that expertise in the office but of course we would need the resources to devote to the School District work, whether that is a new hire so to speak or someone replacing or doing work that someone in the office presently does.

Alderman Lopez stated I just want people to keep that in mind.

Alderman Roy stated just as a clarification for my colleagues, I never suggested legal services being done by the City side. I just wanted the School District to look at not subbing out or not contracting and what the cost difference would be there. I am not looking for a philosophical change of where the School District is.

Alderman Long asked Mr. Sanders with respect to the 1 of 9 page, from the School Committee meetings that I have watched right now they are looking at taking some of these professional services in-house. Is that a correct statement?

Mr. Sanders answered yes that is a correct statement. We have open positions actually for some of these professional services that Mrs. Burkush has been advertising for and endeavor to fill. I can't off the top of my head tell you how many there are but there are more than three. There are four.

Alderman Long asked so this anticipated FY07 number is not taking that into account or is it taking that into account.

Mr. Sanders answered it assumes that we will be able to hire those...that we will fill the vacancies in the salary line. I think if you look at...

Alderman Long interjected so it assumes that what you believe you can do in-house is taken into account.

Mr. Sanders stated the approved positions that we have yes. The question about whether we should have an in-house attorney or something we haven't done the detailed analysis on that.

Alderman Long asked but with respect to special education are there other line items that may be able to be done in-house. I am not sure if Mrs. Burkush would be able to answer that.

Mr. Sanders stated there may be areas such as physical therapy where we have not thought of bringing people in-house. We are trying to maintain and preserve our...you know within that 120 that I mentioned earlier Mrs. Burkush and the other special education experts would have had a number of special education positions that they would have liked to bring on board that we did not for budget reasons.

Alderman Long asked if that were to happen would this final number go down or would it go up if we hire an employee.

Mr. Sanders asked the \$148 million.

Alderman Long asked no the \$1,130,000 for professional services.

Mr. Sanders answered yes the professional services line would go down if we hired individuals internally, but new individuals. For example if we hired in-house counsel our salary line would go up by \$150,000 or something and this line would go down.

Alderman Long asked what about the overall budget.

Mr. Sanders answered overall it would probably...

Alderman Long interjected go up.

Mr. Sanders stated it would depend on the particular situations and the positions we were talking about. I wouldn't want to speculate one way or the other about that. The next category I briefly wanted to talk about is the area of transportation in the School District. That is object code 510. You can see that we have two

categories of transportation – regular education and student services. As I am sure you are all aware but I did just want to mention it we have recently concluded a new three-year agreement with MTA for the three years beginning July 1. We believe it is a favorable contract to the School District and we believe that MTA believes it is favorable to them. A couple of items I just wanted to point out about the transportation contract is that the daily rate we pay, and that is how we pay for transportation, we have approximately 57 school buses a day that are used to transport children and we pay on a daily rate of about \$170 a day. I don't have that off the top of my head but it is something like that. Incorporated in that daily rate is an assumption for fuel costs and in the three year contract that we have executed for next year our fuel rate is at about \$2/gallon for diesel fuel for school buses. Anything that goes over \$2 is the responsibility of the School District. We consume about 100,000 gallons of diesel fuel a year in transporting the children of Manchester. Although it is certainly true that we do not pay the price we see at gas pumps because we are exempt from various taxes we are today probably in excess of that \$2/gallon of fuel. As we go into next year we are going to have to monitor closely our fuel oil consumption issue as it relates to school buses and we have set aside a small amount in next year's budget for that. One other item I wanted to mention about school buses is that in the original plan and CIP request for the School District we asked for the purchase of 10 additional school buses in the District. We have not had a formal replacement program in the City of Manchester for the replacement of school buses. We have approximately 70 school buses that MTA owns today. Over 50% of those buses are in excess of 12 years of age. In the last three or four years we have purchased in the aggregate something in the area of 8-10 school buses. We have hired a consultant, as you might be aware, to help us with the assessment of our transportation program in the School District and work with Mrs. Burkush and I on the negotiations with MTA and he was extremely forceful that we need to get on to a formal replacement process for the school buses in Manchester. One, the technology obviously of a school bus we can incorporate much more in the area of cameras and other technology that is out there today to monitor students on buses that obviously 12 year old buses don't have. Financially it doesn't make a lot of sense to spend money to put it into old buses that we are going to get rid of. The second and probably more important is the repair and maintenance of old buses. If we are going to achieve cost efficiencies at MTA in terms of the repair and maintenance on our school buses we need to get new school buses. Finally, I would point out that the fuel efficiency of school buses and the sizing of school buses could be more effective. The CIP budget that is recommended by the Mayor does not include any money for the purchase of school buses next year.

Mayor Guinta asked can you clarify for the Board when the requests from the School District for CIP were made.

Mr. Sanders answered we sent...I don't have the date in front of me but I would say sometime approximately around the third week of February we sent over our request. We had to go through the Board approval process in terms of various committees that have input and the school buses weren't the first priority. I should also mention it was closing in of our open concept classrooms. That was the number one priority of the School Board. I just wanted to mention in the context of transportation and our efforts to manage costs those are some of the issues we are trying to work with.

Alderman O'Neil asked are we going to stay on subjects as we go along. Can school buses be bonded or is that a cash appropriation?

Mr. Sanders answered we believe that they could have been bonded through the CIP program or some other methodology similar to what you would do for fire engines and police cars.

Alderman O'Neil stated I am sure we are getting more than their life expectancy out of them so they may fit into that. Kevin, do you know what we have done in the past on that?

Mr. Clougherty responded in the past 20 years you have probably done it several different ways. I think we have bonded school buses in the past.

Vice-Chairman Gatsas stated there is a line that I find very interesting and that is 624, the fuel oil. Now I find it almost impossible to believe that you can heat all of the schools in the City...that you could have even done it for a projection of \$50,000 in FY06 or that you could come close to doing it for a projection in FY07 of \$57,000. Why don't you explain to this Board how you can do it because I certainly want you to come down and do the same magic for the City?

Mr. Sanders replied I would have to complement Mr. Tim Clougherty for the explanation that I am about to give you. As part of the design-build project we replaced fuel oil boilers throughout the School District with natural gas boilers. If you look at the natural gas line you will see a substantial increase. If you turn back to page 1 of 7 that we were looking at earlier with the five year summary and we went down to line item 624 you would see that in prior years our fuel oil line was in the \$400,000 and \$500,000 range annually. It really is due to the replacement of those fuel oil boilers with natural gas boilers and you can see what is happening to our natural gas line. I believe that we currently if memory serves have about 10 small boilers left in the School District that only provide hot water. They are not used for heating any longer. That is the basis for that number.

Vice-Chairman Gatsas asked so when the projection was done that is when the cost of natural gas or to think about changing that was a lot lower. Natural gas right now is pretty high. Are those burners able to be converted?

Mr. Sanders replied I would have to ask Mr. Clougherty that question. I don't know.

Alderman Roy asked when you are done answering the questions on fuel oil I would like to go to the rental of land and buildings and ask a few questions.

Vice-Chairman Gatsas stated go ahead.

Alderman Roy stated on line item 441 with my profession I hate when a City that is going to be here for hopefully another 1,000 years rents things. The rental core programs for \$318,000 and special education for \$226,000 could you give me a breakdown of those two?

Mr. Sanders replied yes. Once again if you look to the back of this page that I sent on April 20 it is on Page 4 of 9. It doesn't have the exact breakdown that you asked for but I think it comes fairly close and I will just detail the rental of land and buildings as you can see there for people on TV. First we have about \$15,000 of athletics rentals that are primarily swimming pools. We also have modular classrooms across the District. We own some but we do rent and pay about \$95,000. We are not expecting to have any additional modular classrooms but we will have rental for existing modular classrooms. We do rent for \$226,000 and that is primarily the special education amount you saw earlier for a portion of the Easter Seals building – about 17,000 square feet. We currently have plans to continue renting a warehouse and we have the rental for the Commercial Street administration building of about \$200,000.

Vice-Chairman Gatsas asked that is not that same warehouse that I heard about six years ago that was just sitting there. Can't be the same one? I got a guarantee from the School District at that time that it was going to be eliminated.

Mr. Sanders answered I don't know what that was six years ago but this is a facility on Canal Street near our Commercial Street building that has been in use for three or four years anyway. We don't have as much space there as at one time we had but there was some discussion on the District side about eliminating the warehouse all together.

Vice-Chairman Gatsas stated for the Aldermen that were here with me I think there was a pretty big discussion about that warehouse that didn't have anything in it that the School District was paying for for a few years. I think they even had a

warehouse manager they were paying. Is there somebody or an employee in this warehouse?

Mr. Sanders replied no.

Alderman Roy stated looking at the Easter Seals building and the Commercial Street building making up 78% of that \$560,000 the leases, the terms and the logic of renting in the School District's opinion of those two facilities.

Mr. Sanders replied the Easter Seals building we have a lease that goes through August of 2008. We have been advised by Easter Seals that we will no longer be able to use that space after the lease expires. We have had conversations and meetings with our Building & Sites Committee regarding where to go. I think it was leased. This pre-dates me by a few years but I think the reason for the leasing is it is in a very prime location for the School District in terms of servicing the special education students that are there as well as we have kindergartens in that room that are not disabled children. We actually have kindergartens there that we can take some of the excess out of Wilson and Beech Street. At the time and I am somewhat speculating here but I presume it was difficult to find quality space that we could use. Easter Seals is used to dealing with a lot of those issues and they have a lot of handicapped things and we were able to utilize those things so that is why we are in the Easter Seals building.

Alderman Roy responded don't get me wrong Mr. Sanders. I have no problem with the facility and what it does there. It is one of my favorite schools in the City but it is the rental issue that I would like to focus on.

Mr. Sanders replied sure that is how we ended up running...I presume there is no space. We have asked the Building & Sites Committee and the Finance Committee to permit us to engage with someone to do an active search and begin to prepare to get out of that building making plans in the next six to eight to nine months and identifying space if there is space in downtown Manchester.

Alderman Roy asked when you say engage someone is that for rental purposes or purchase purposes.

Mr. Sanders answered for purchase purposes to help us do an RFP and put aside money and all those sorts of things.

Alderman Lopez asked how long have you been at Easter Seals.

Mr. Sanders asked Mrs. Burkush how long have we been at Easter Seals. Probably about seven or eight years.

Alderman Lopez stated I want to go back to the fuel so I can understand in looking at the numbers on page 1 of 7. The \$768,000 in the adopted budget of \$142 million and the projection as of the date of the document that you provided us you only spent \$50,000.

Mr. Sanders replied that is correct.

Alderman Lopez asked is that a surplus then that would be from that \$768,000 at this time.

Mr. Sanders answered no it would not. Basically we reclassified funds from the fuel oil line up to the natural gas line because our natural gas line was inadequate. You can see in the original budget we were at about \$648,000 for natural gas so when we went down to \$50,000 in fuel oil...

Alderman Lopez interjected give me a number. What is the number?

Mr. Sanders stated natural as is line item 621.

Alderman Lopez stated so you spent \$1.3 million so far and you have increased that by \$200,000 from \$448,000 so that still leaves roughly over \$400,000.

Mr. Sanders responded we increased it from our original adopted budget, the natural gas line was \$648,000. Do you see that?

Alderman Lopez stated you had \$448,000 in your budget and you went to \$648,000 right.

Mr. Sanders replied that is correct.

Alderman Lopez stated that is \$200,000 right and you spent \$1.36 million if I am reading this right.

Mr. Sanders responded that is correct.

Alderman Lopez asked so you are way over in that so you must be taking all of the money from line item 624 and applying it to the expense line.

Mr. Sanders answered that is correct.

Vice-Chairman Gatsas stated let me understand what you are telling me. You think that the cost of the natural gas and fuel oil combined is going to be less than your 2005 cost of those two line items?

Mr. Sanders replied no I do not.

Vice-Chairman Gatsas stated you better take a look at your 2005 two line items and tell me how you are going to get there. The two of them if I add them real quick you are at \$1.54 million.

Alderman O'Neil stated on the subject of natural gas and fuel oil...

Vice-Chairman Gatsas interjected can I just get him to answer that question first. If you go to the 2005 line, which is 1 of 7 and you take a look at their natural gas line, \$1.1 million, if you look at their fuel oil it is \$420,000. That is roughly \$1.5 million or \$1.52 million. That was two years ago. Maybe you can twist the magic over here too. How can you possibly tell me that your projection for natural gas is \$1.546, which is about \$40,000 more than it was in 2005 when the price of natural gas and oil was much lower?

Mr. Sanders stated in the 2005 year there was a great deal of construction still being done in our schools. A substantial amount of work at night, open space, ceilings not installed...a variety of inefficiencies in the 2005 year, which we were aware of. We did not know how much was permanent so to speak in terms of what our costs would be or how much was being created by the design-build project and the level of activity that was going on in the buildings. So we have no clear reference point at this point as to what our energy usage will be amongst these categories. I would acknowledge, Sir, that our utility assumption for this full year is about \$3.1 million and we will be...it will be difficult to see us getting in at \$3.1 million. We will probably spend something higher than that. Until there are some historical reference points of what actual usage looks like in these areas it is difficult for me to know how much is rates and how much is usage.

Vice-Chairman Gatsas stated I noticed there are 30 line items for your budget. The City has over 120. The cost of the two budgets are roughly the same. You must either have subline item budgets throughout those 30 lines or expanded lines or you combined some lines. Is there anyway that you can give us a more in-depth of those 30 lines?

Mr. Sanders responded this is what the current accounting system of the School District operates on. We are installing a new accounting system that will permit us to do easier reporting for line item expenditures but right now if individuals want detail on specific line items we actually have to go through some account

analysis to do that. This is how we manage the District and how we report expenditures to the Finance Committee.

Vice-Chairman Gatsas asked didn't you just recently put in a brand-new computer system.

Mr. Sanders answered yes.

Vice-Chairman Gatsas asked how long ago.

Mr. Sanders answered this year. Probably within the last four or five months.

Vice-Chairman Gatsas asked and the old one didn't have a better accounting system than this.

Mr. Sanders answered it had a good accounting system relative to tracking of expenditures but the reporting mechanism of that accounting system was very weak to say the least.

Vice-Chairman Gatsas asked what line item is that new computer system.

Mr. Sanders answered that would be in our equipment line item for last year.

Vice-Chairman Gatsas asked which is what number.

Mr. Sanders answered 731.

Vice-Chairman Gatsas asked how much was that computer system.

Mr. Sanders answered it was about \$400,000.

Alderman O'Neil asked are we still on the topic of energy.

Vice-Chairman Gatsas answered yes. We are on any topic you want to be on.

Alderman O'Neil stated I think Bill touched on something that was important. There probably was going to be a period of time, years, through the design-build project that there would be some inefficiencies because of system conversions but I would have to believe once they get some history a good portion of the improvements that were done to our schools were done both in the mechanical and electrical sectors. Better and more efficient lighting and I think just about every school had mechanical upgrades with more efficient equipment so I think once we see some history that will be a big positive step. I know secondly that at the

recommendation of Mr. Tim Clougherty when the PAL Center was done over a new boiler was installed and it was set-up to accept either oil or gas and the Police Athletic League has done both and not seen any significant savings. It is crazy. It is almost like you need to look at it everyday and decide okay oil is cheaper today so I will go to oil and tomorrow natural gas may be cheaper. It is hard to get a real handle on it. I just wanted to make that comment.

Alderman Shea stated I would like to go back to the point that you raised about renting Easter Seals and also...

Vice-Chairman Gatsas interjected can I interrupt you because Alderman Osborne has been waiting and I apologize.

Alderman Osborne stated no he can go first.

Alderman Shea stated the Easter Seal and Commercial Street property together are about \$440,000 and my question is let's go back in retrospect. When the design-build program...why wasn't there emphasis on such things as the elementary level, the special needs of kids that are in that particular level. Why wasn't that brought up? What was the purpose of devoting all of the money to the middle schools and high school? I realize that they were tuition but anticipating all of the needs that we had when in fact Easter Seals was being rented at a prohibitive cost plus the repairs that had to be made plus I believe there are flooding expenditures...why wasn't there a certain amount of insight given to that? I don't understand why the School District at that time wouldn't be cognizant of the fact that there would be needs? This was brought out when we discussed this and this was totally and completely ignored when I brought this problem to your particular attention. Now we are faced with this problem and what we are doing is we are going to beat the horse to death for another two years until August 2008 and continue to pay for these expenditures when the School Department could have looked at different options that were available such as putting an extension on to McDonough School or taking over some kind of building that would house these people? How many classrooms are there at Easter Seal right now and what is the cost per classroom that we are paying for these particular needs roughly? I know you can't give me an exact figure because you have to have people coming in and out and so forth but are there 11 classrooms? I know I toured that years ago and there seemed to be about 10 or 11. I am not sure if there were any additions to that.

Mr. Sanders stated there are 11 classrooms and a therapy space and there are how many students over there.

Alderman Shea replied doesn't it make sense to concentrate when you are a School District to concentrate on all of the needs and not just emphasize certain needs because the way the school system is developing now and the way I hear School Board members discussing problems there are needs for elementary schools on the East Side of Manchester and the West Side of Manchester. There is a need to get out of this Commercial Street property because obviously it is going to rebound into a large extent over a four or five year period. I can't understand the amount of money we are spending just to cope with the salaries and health benefits, which obviously are necessary but in terms of planning and trying to get grants and so forth from the state in terms of helping it just baffles me. Again, what I am saying is look at what you can do. The figures are what they are as the coach of the Patriots says. They are what they are. You aren't going to change certain figures but more planning is necessary in order to make sure that all of the needs of the kids are going to be settled. Obviously I don't envy your position but that is my comment.

Alderman Osborne stated I don't see Mr. Bass here today but three years ago and this is getting back to Easter Seals, I went into the Easter Seals building and toured it myself. I had some questions in my mind then of taking this...I think it was like \$235,000 a year that you are paying there?

Mr. Sanders replied \$226,000.

Alderman Osborne stated okay and I was thinking to myself well taking that money we could probably bond a couple million, \$2.5 million and I told Mr. Bass to look into expansion over at the Beech Street School if it could be done and I haven't heard anything stable yet from it. Anyway we could take those monies that you are paying there, enlarge Beech Street if we could. I know there is a cemetery brook running down through there somewhere. Still maybe we can go up the other way or whatever it may be but I heard nothing from it. By doing this we wouldn't have to disrupt a lot of the kids that live in that immediate area rather than going all the way up to McDonough or building a new school up on Wellington Road or whatever it might be. Have you any knowledge of that at all?

Mr. Sanders replied we have looked at and continue to look and discuss with the Building & Sites Committee alternatives that we have to Easter Seals as well as the overcrowding at Beech Street. Beech Street, before you even add on 250 children from the developmental pre-school has over 700 students in it today. It's capacity is probably about 450-500. We have eight portable classrooms out there. It is a very crowded school so it has to have some relief in its own right before you even think of bringing additional services down. We have had discussions with City representatives over the past couple of years about the possibility of doing some construction at Beech Street as part of the design-build project candidly.

There is that old practice field that the football team used to use but apparently a drainage tunnel runs almost diagonally through that field which literally almost removes that entire field as I understand it and I am not an engineer, from any meaningful construction additions and then if you have to go the other way the ice arena is right there and parking lots and bus lanes and things like that that make that site complicated.

Alderman Osborne asked so there is nothing in that area to use for expansion.

Mr. Sanders answered well from the School District's point of view there are parks in that area but I realize that the community has other interests and schools are not the only interest but there are parks across the street from Beech Street. There is the ice arena itself and to be completely candid we would...

Alderman Osborne interjected how many more rooms would you need.

Mr. Sanders stated we have eight portable classrooms right now at Beech Street.

Alderman Osborne replied I am talking about Easter Seals now. How many would you need?

Mr. Sanders responded 11-12 classrooms and some administrative space and cafeteria space.

Alderman Osborne asked they all have to be separate rooms.

Mr. Sanders answered I believe so. I am not an expert on that issue but I believe they do have to be separate rooms.

Alderman Osborne replied I am curious as to why. Why do they have to be separate? How many grades do you have there? All you have is a kindergarten and special education.

Mr. Sanders stated we have pre-school, special education pre-school and probably six kindergartens. That would mean if there are 20 children in each kindergarten there might be 100 children in kindergarten. One of the issues we are dealing with at Beech Street are the open concept classrooms and the issues associated with not being able to bring children into rooms that are closed in where you can get them to focus on instruction.

Alderman O'Neil asked regarding the needs, the needs are in the inner City for elementary school correct.

Dr. Ludwell answered yes.

Alderman O'Neil stated I think there is a great opportunity moving forward...we seem to for the City and the School District to partner to find a solution. Mr. Sanders touched on a couple of items. With the Central football team now practicing at Gill Stadium is there an opportunity to do something with that piece of land? I don't know. I know there is some spring time activity with it. Mr. Gosselin would probably know more but now we bring Parks & Recreation into it I guess a little bit. There has also been some discussion informally I guess about could JFK be relocated and open up that property. I think it has only been small talk and needs to be taken to another level. There is an awful lot of parking lot space in that are but I think it needs to be a partnership between the School District and the City to resolve this issue and I hope moving forward we can do that. As much as I might have been and I don't know if critical is the right word but concerned about the Karatzas Avenue situation, they are in desperate need of finding a solution to this. They know it and they have been trying to reach out and I think we need to help them resolve that problem. Secondly and I know that Dr. Ludwell and Mr. Sanders would like to answer this is it and I don't know this officially. I guess this is just word on the street and what I have read in the paper but the lease of the space on Commercial Street is a temporary situation and it is your hope once you resolve where the new elementary school is going to go or a significant addition to Beech Street is to build new administrative offices as part of that. Is it my understanding that if it is part of a school project it may be eligible for 30% reimbursement as opposed to if you did a stand alone building it is not eligible for any reimbursement?

Mr. Sanders replied the SAU office building, be it stand alone or as an additional to an elementary school would be eligible for building aid, at least 30%. It may even be eligible for 40% building aid. I would need to check that.

Alderman O'Neil asked stand alone or part of a school.

Mr. Sanders answered either I believe.

Alderman O'Neil asked Dr. Ludwell would you agree that we need to form a partnership to move this forward.

Dr. Ludwell answered first of all one of our goals is to not have any rental property. Commercial Street was always intended to be a short-term 3-5 year interim solution. We would be very anxious and eager to have a partnership with the City on seeing how collectively we could achieve the goal of not having any rental property for the School District.

Alderman Lopez stated I say this with respect to my colleague but the opportunity for dialogue and I agree with Alderman O'Neil that maybe the Building & Sites Committee can meet with CIP. There is the impact fee and I don't know what the number is, \$2.8 million in there that could accomplish that. That is another dialogue. I would like to go back to the purpose here. First there is the \$148 million. What is the problem and what aren't you going to be able to do with the \$143 million so we can shed some light on what is happening here and look at numbers. I think that is how we are going to get along or we are going to be here for about four hours. We might as well sit down and talk about all of the things that the School District can do and come to an agreement but that is not for today. I would like to look at the numbers.

Vice-Chairman Gatsas responded with all due respect I think you have all the time in the world to sit down with the School District but some of us don't so if we are going to be here for four hours on a \$145 million budget then so be it. We will be here for four hours.

Alderman Lopez replied that is not what I am saying, Mr. Chairman.

Vice-Chairman Gatsas responded well I thought that is where you were going.

Alderman Lopez stated that is not what I am saying. There are a lot of things that we feel as individuals are wrong with the schools and we can sit here and try to solve them but the separate authority of the School Board and the Building & Sites Committee and all of that has to be taken into consideration. I am more concerned with the \$143 million and the \$148 million and if we can stick with the numbers otherwise we are going to be confused all the way around here. If that is the intent, to confuse...

Vice-Chairman Gatsas interjected I think it is very clear. You saw what we did with a \$1.4 million request with the City Clerk's Office. We got a 3% reduction and possibly a 4% or 5% reduction. I think it is very important that if we are going to go through that with the City Clerk we should understand where the School District is. With watching that program that I watched last night I don't know if we want to get into that bottom line.

Alderman Lopez stated I agree with you. It was a lousy meeting period. Anyway the situation still remains that there are certain issues that we can't resolve as the Board of Mayor and Aldermen no matter how we feel. I think we are here to discuss the \$148 million and the \$143 million.

Vice-Chairman Gatsas replied with all due respect Alderman Lopez we have an opportunity to fix that. The current law allows us to have it go back to a department.

Alderman Lopez responded that's true but that is for another day to argue.

Vice-Chairman Gatsas replied absolutely.

Alderman DeVries stated I have heard a lot of individual questions but I don't think you have really presented your vision for the School District next year and certainly to segway into the next half of the discussion, which will be around the impact of the reductions I would like to hear a little bit about the programs that you had planned to change or bring on in a general sense. I know that one program that Alderman Shea and I have asked about in prior years would be for advanced learners. I thought that you also were going to be doing some work on alternative education as well. Maybe some truancy alternative education above and beyond the PASS Program. I just would like to hear not an hour's worth but some general initiatives of where you are, where you hope to take the School District, are you trying to work back from janitorial services that now are contractual or is there anything different so that when we start talking about the impact we have an idea of what the true impacts are.

Dr. Ludwell stated the Board's proposed budget is one to maintain our existing programs and trying to increase our focus on those areas as far as alternative education, maintaining the PASS Program and the Ombudsman Program. I believe we did have some increase in our AP course offerings in the last year or two and we would like to maintain that also.

Alderman DeVries responded if I could just ask because I know a lot of citizens are listening at home that may not understand some of the terminology you are using. If you could just generalize in layman's terms what some of the programs are.

Dr. Ludwell replied the PASS Program and the Ombudsman Program are both alternative education programs for either students who are at risk of dropping out of school or students who don't necessarily perform in the traditional school setting. AP refers to advanced placement classes or classes for students who if not gifted certainly are at an advanced stage of study and need the additional challenge. They can earn college credit through those programs.

Alderman DeVries asked what dollars have you put into your proposed budget to accomplish some of those goals or what percentage of accomplishment will you reach in the FY07 budget.

Mr. Sanders answered we certainly had a fully funded PASS Program in our budget. I don't have the numbers specifically program related. I can get what we spent for the PASS and Ombudsman Program. What Dr. Ludwell had said was the most important thing that is going on in the School District today is the whole assessment around the District in need of improvement situation that we are in and there are many teachers and principals and administrative staff working on various teams to evaluate how we can improve as a District and what best practices are and how to get ourselves organized. They are going to be coming forward here in the next three or four months with recommendations. I don't know what those recommendations will encompass but I would be surprised if they don't require some money to implement them. In our \$148 million budget we had set aside specifically an additional \$50,000 to deal with the professional development of teachers, administrators, and principals around that. We had also set aside \$25,000 for assessment testing to become more aggressive in terms of testing our children in our schools and getting them used to taking tests of the nature that we are required under "No Child Left Behind" and having assessment going on around the nationally mandated test to drive improvement, which I think many school districts do today already and they do find that to be successful. If you have taken that sort of test four times during the school year on that fifth time you are going to be a lot better than if the fifth time is the first time. It also helps us in the evaluation of teacher and student achievement in terms of learning material. So that is District in Need of Improvement and I would think we can talk later but at the \$143 million level that is not going to...we don't have that accounted for. The other matter that is a major initiative of the District, at least from the administrative side and I think it has a lot of enthusiasm at the school side is the acquisition of a new student information system in the School District. As we have an accounting system or had an accounting system that was extremely pedestrian so to speak and could do what needed to be done but didn't give you the flexibility to do what you had to get done and understand what was happening, a new student information system is going to provide us with a tremendous amount of informational about individual students and their levels of achievements and individual teachers and their levels of instruction capability and you marry that with a solid professional development operation and an assessment testing mechanism and I think in that lies the solution to a big part of our District in Need of Improvement Program. As you will see when we go through what a 3% reduction means and what the Mayor's budget means, the SIS system is at risk. It is at risk from basic purchase. It is going to be a \$600,000-\$800,000 acquisition. We also need an IT department that can help us install it and we need to be able to train school secretaries and principals and guidance counselors in special education modules. There is a lot of work and money around that and when I look out personally over the next 18 months I would like to be sitting here telling you that we have a new student information system and we have an up and running

distributive accounting system and that principals are now in charge of their schools financially and otherwise and that sort of thing.

Alderman DeVries asked what would the student information system actually accomplish for you.

Mr. Sanders answered it would provide electronic access to student performance over their entire career in schools from kindergarten through the 12th grade. It would enable parents to access report cards electronically from their homes. They would be conceivably able to determine if their child was in their 10 AM science class or wasn't because attendance could be taken electronically. All of the testing assessment work could all be evaluated. It could be married to the teachers and the instructors as to how successful...you have Instructor A over the years the students that go through Instructor A's class do very well on the test but they don't in Instructor B's class so let's get Instructor B some professional development and find out what Instructor A is doing. That is out there. School districts are doing that today.

Dr. Ludwell stated our current system simply doesn't have the capability of producing the kinds of analysis and reports that are and will be required under the "No Child Left Behind."

Alderman DeVries asked so you are saying that a parent at home or at work conceivably when this system is up and running can go online and determine at any given time, real time during the day, whether their child is actually in a classroom that they think they are supposed to be in.

Mr. Sanders answered that is correct.

Alderman DeVries stated nice tool. That might help some of the issues.

Vice-Chairman Gatsas called on Alderman O'Neil.

Alderman DeVries stated excuse me Mr. Chairman. Are you saying that I am not allowed to finish my line of questioning?

Vice-Chairman Gatsas replied all I am saying is that I think you have occupied about seven minutes and if we move it around we will come right back to you, Alderman.

Alderman DeVries responded I am sorry but I just don't think that is an appropriate way...to interrupt halfway through questions.

Vice-Chairman Gatsas replied you haven't stopped for seven minutes.

Alderman DeVries stated and it is the first time I had asked questions during the last hour and a half. Thank you.

Alderman O'Neil stated you have laid out...I will go right into it, you have laid out what will happen with the Mayor's recommended budget. You also included a page that if the 3% reduction, which would be \$5 million less than the Mayor's recommended budget is that correct?

Mr. Sanders replied yes it would be about \$4.3 million. Also they weren't recommendations. These are actions that the District would need to take. They are not recommended actions of the Administration.

Alderman O'Neil asked so the School Board has not approved these. These would be recommendations to the School Board.

Mr. Sanders answered yes.

Alderman O'Neil stated I am going to work off the \$143 million because I think that creates some challenges to the District as it is and I, for now, don't want to concentrate on the \$137 million. One of the concerns that has come up around here is what exactly is involved with the debt service number. My first pass on it was that it was related exclusively to the school design-build. The concern was was there \$2 million more than needed in actual debt service. I have since learned that it may be for new initiatives moving forward such as closing the open concept that currently exists in three, four or five elementary schools. Can you just explain the difference in the Mayor's budget and the recommended budget that the Board of School Committee approved regarding debt service?

Mr. Sanders responded yes. If you went back to the very first chart we were talking about, which was the School District's budget compared to our projection for this year on line item 911 Debt Service, which is almost at the bottom of the page, the debt service requirement as it was included in the proposed budget of the School District was \$11,629,000. That was about \$1.7 million less than it is this year. This year's debt service is \$13,369,000. What was included if I could just stay on the Board of School Committee approved budget for just a minute if you look at the athletics column you will see a major portion of our debt service is related to athletics and that is entirely related to the Clem Lemire Sports Complex. There is some incremental borrowing that remains to be done that will be done I believe from discussions I have had with the City Finance Office sometime in the middle of the year in the fall timeframe to finance about...the total project was \$5.5 million and I think we have probably financed maybe \$2 million of that so we

have another \$3.5 million to go. There is about \$210,000 or \$215,000 in that debt service that isn't real debt service yet but will be probably by the beginning of next year. What the School District's budget didn't comprehend at all was what the debt service would be related to any CIP projects that would ultimately be approved. We had a recommendation of what CIP items we wanted but we didn't know what the Mayor would approve or ultimately what the Board of Mayor and Aldermen would approve. The Mayor has now proposed I think about \$1.8 million of school related CIP projects, the biggest being the \$1.5 million for closing in open concept classrooms at Parker-Varney elementary school but there is also in the schedule that I have received about \$300,000 at Parks & Recreation for various playgrounds and traffic flow issues that we need to deal with at some of the schools.

Alderman O'Neil asked could you provide and maybe it is in there and I am missing it but could you provide a one page that would, as detailed as possible, show what you believe the Mayor was accomplishing with his recommended number to CIP and I guess that would also include, although it is not part of CIP, the debt service for FY07 versus what the District believes would happen. It sounds like you are on the same page but the numbers don't agree.

Mr. Sanders answered let me put a schedule together and then we could have that discussion.

Alderman Osborne stated I would like to ask a loaded question here without taking too much time up with it. If the Mayor's budget was implemented as it stands how long would this take to implement and how much disruption would it make in the School District?

Dr. Ludwell replied if you turn to the memo from Mr. Sanders dated April 21 and go to the third page we tried to indicate the kinds of activities or the kinds of cost cutting measures the District would have to implement. We feel that it would have a significant impact on the School District. A very significant impact.

Alderman Osborne asked what would happen. Add them all up and what do you have?

Mr. Sanders answered on page 2 of 4 we did lay out what we thought the major impacts of adopting the Mayor's proposal were on the next schedule so I will just read them. We are jumping around a little bit here. Maybe I should actually go through the actions that we were going to take and then talk about the impacts. Is that appropriate? Okay. First of all just to be complete the Mayor has removed the funding for MCTV from the School District. We would retain the employees but the actual funding, which has historically been paid through franchise fees of

the cable companies, that money would no longer be available to us so we would need to deal with that. We have a City retirement rate increase that is substantially higher than what we originally assumed.

Alderman Osborne asked can I interrupt you. Can we just put this all together? Just to make it quite simple, could the School District survive at \$143 million. Can the School District keep going?

Dr. Ludwell answered certainly you would still have the school system but it wouldn't be the school system that you recognize today. It would be greatly restrictive. Many programs would disappear that we have been able to implement. We would have even a greater challenge to address the demands of "No Child Left Behind." We would anticipate that there would be no police presence in the middle schools. There would be about a 30% reduction of central office staff providing support for the schools. I could anticipate us not being able to be in compliance with the tuition agreements with the sending towns. Elimination of approximately 38-40 teaching positions. Elimination of our Ombudsman Program. Elimination of our community partnerships. I think the school system would still be in existence it is just that you wouldn't recognize it the way it is today.

Alderman Roy stated we have gotten your packages on what the impacts would be and I want to lead us down a different road and Asst. Superintendent Burkush might want to come up because I am going to direct a lot of these questions to her. What I am looking for is savings to the District not looking at a \$148 million or a \$142 million or a \$143 million or 3%. I am looking to find ways to improve education and save money. One of the line items that I have a hard time with and Karen knows this is our tuition number - \$6.2 million. If you could explain that very briefly to the Aldermen and the comment I made to Alderman Gatsas was that we should be bringing some of those children back in-house and possibly giving you the ability to decrease your professional services line item by hiring more staff, speech therapists, occupational therapists and physical therapists and having a housed location that we could possibly charge other communities for bringing kids here. I have often said we should lead the way as the biggest City in the state and I want to find a way to get there.

Vice-Chairman Gatsas stated tell them what my comment was.

Alderman Roy replied you agreed with me and said you tried it six years ago.

Vice-Chairman Gatsas stated six years ago I brought that to the table to the District and they said it couldn't be done.

Alderman Roy stated as Alderman Gatsas knows one of the things I hate to hear is that it can't be done. We are renting a school facility that would let us bond about \$2 million. We have land throughout the City that we can identify. What would it take to decrease the tuition and bring children back to Manchester and possibly create a revenue source in seven minutes or less?

Karen Burkush, Assistant Superintendent, stated we actually have been attempting to bring tuition students back into the District. The population that we have been working on over the past five years are students with the disability of autism. We actually now have a complete continuum from pre-school all the way through high school. We have some students with autism that are not participating in in-district programs for reasons that IEP teachers determine but the majority of our students with autism are housed in the Manchester School District now and we actually do charge tuition. We have some tuition students in the Manchester School District programs. Most are at the high school level and we had one at the middle school level last year. The other program that we are working on bringing students back are students with emotional behavioral disorders. We now have a continuum from elementary all the way to high school and the high school program we have been having students tuitioned in from other districts. We don't have a lot of room so in order to expand that program we would have to find space and hire staff. The next area probably that we have the most students out of district are students that have a specific learning disability and those programs we have not started working on yet. Probably the least amount of students with the most cost are those students that are in out of district placements that are actually placed residentially because they are severely multi-disabled and we don't have the ability to provide services for them because they require round the clock care. Two years ago I believe it was we did at the high school level open up a program for multi-disabled students and it is at Central High School. We started out with three students and have four in there now and that is functioning well. So we have approached that population as well. Within that \$6 million tuition line are also students without disabilities who are placed at facilities such as the Anna Philbrook Home and at YDC or the Tobey School. I believe the District is taking steps in that direction. It takes time to do program development. We need space and we also need staff.

Alderman Roy asked the largest roadblock...you mentioned space and staff but if you were to look at housing a facility in Manchester what would it look like square footage, location – inner City or outskirts. What would be your dream?

Ms. Burkush answered actually what our dream is is to follow the law and the law says that we include students with disabilities in their neighborhood school or in a public school setting so looking at something so students could access would be...exactly like what we did over at West High School. We sort of took over four rooms and the students that can access the general population go out with

paraprofessionals and other students just stay in. That would be our vision in terms of how we include students in the least restrictive environment so they can stay in our schools and participate in extracurricular activities. Having a facility that would be residential in nature I think is something we would have to plan extensively.

Alderman Roy stated I do agree with you that following the law and inclusion is naturally the best way to go and I know you have parents and IEP's to deal with. I guess what I am looking for is when we talk about our, especially the elementary population, by tuitioning out children we are obviously not including them in our Manchester classrooms so if you were to look at space would it be looking at Beech or Bakersville. Where would your highest need be?

Ms. Burkush responded for students who are out-of-district the population at the elementary level is very small but with regards to the preschool and not leasing that facility it would be in the inner City and somewhere in that area. We have gone out and tried to find some places just driving around and looking at what is for sale. We have been having those conversations and we have also in the last three years been talking to Mr. Gammon about purchasing the Easter Seals building. Right now what we have for preschool is about 20,000 square feet but part of that is for Wilson. We would probably need the same amount of square footage as the preschool because we also have to have physical education and cafeteria space. Right now the students eat in the classrooms.

Alderman Roy asked do you believe from a School District standpoint that it would be better to have the children in Manchester.

Ms. Burkush answered absolutely.

Alderman Roy asked has the JacPac land or that location been discussed within the School District.

Ms. Burkush answered not when I have been part of a conversation. Mr. Sanders is shaking his head no.

Alderman Roy stated just a brief comment. I believe our Lands and Buildings Committee when we were talking about Karatzas Avenue tried to make it as clear as possible that there is City land out there and we will work with you on finding the best educational opportunities. In that case it was an elementary school but if there are other schools that would save the District money and bring children back to Manchester for better services I, for one, would definitely support that. Let's, as we have been talking about in this budget process, open the box and see if we can do something. If we can save \$3 million in tuition the \$143 million meets a

great amount of expenditure for you so if we can think outside the box we may all get there and provide better services.

Alderman DeVries stated I would love to take it to the second half of information that I would like to get from you because we do know that you have a vision for what you would like to provide for the students of Manchester. I would like to hear some of the answers from the other half – taxpayers who feel that there have been a lot of additional dollars put in to the budget for the School District over the last eight years and they are not seeing the type of improvements that they find measurable – the test scores improving. I would like to hear your answer for why when it appears that we keep funding the School District budgets you are having a hard time or maybe you are missing the mark on some of the very public scores. I know this is now out of context because we were interrupted previously but there is the plus and the minus side here and the taxpayers would like to hear.

Mr. Sanders stated the School District's budget has increased significantly over the last five, six or seven years. I think that is an absolute fact. I think that you have to peel back a little bit to be honest and look at where those costs have gone and where the money has gone and I think one issue that I know we all know but it really requires focus and the discussion was just on it and that is the area of special education, which in the last seven or eight years has changed dramatically in terms of the number of students we have on IEP's and the number of educational assistants we have in our schools assisting children and occupational therapists, physical therapists, speech pathologists, etc. So that is going on in our budget first off and then of course there is just the natural growth in salaries that comes with additional people and COLA increases and healthcare. I would be remiss if I didn't also say the area of the design-build project and the additional debt service that we have incurred on the expenditure side. I know there are revenues to offset it but if you just look at our expenditures and look at where the increases are I think it is in the area of special education, debt service and just salaries.

Dr. Ludwell stated this is obviously a very sensitive issue so I think Ms. Burkush wants to address it and I will make some comments after that.

Ms. Burkush stated I believe you were referring to the "No Child Left Behind" test scores Alderman DeVries. Some things that we have been talking about over the years that have impacted that and I think it is just reality and not complaining but we have changed from the NHEAP to the NHCAP and one year we had NHEAP and PSAT and now we are back to the NHEAP again and it looks like we are going to go to a different test shortly and each year the stakes are getting higher. I believe the District is making progress but we are still behind. Progress takes time. We have put in place a District Improvement Plan that actually looks at the curriculum we are enacting. What are the strengths, what are the weaknesses and

as Mr. Sanders was saying before in terms of being able to have data driven instruction we really don't have a student information system that can help us do that. The Superintendent in our District In Need of Improvement Plan also has addressed professional development. We did a whole procedure that was called a Root Cause Analysis to identify what the areas of weakness in the District were. It was about curriculum, instruction, professional development and culture and we do have a two-year plan that we are working on. I think finally that it takes time and that is why we have a two-year plan. We have very committed teachers and administrators at the building level and Central Office who are all participating in the plan and also parents and community members are on this plan so we are hopeful that over time...we are not denying that we are a District in need of improvement and there are schools that need improvement but we are addressing that.

Dr. Ludwell stated I am not making any excuses for the schools. I have a child in the school system as many of you have or have had. I think they are getting an excellent education. I think we have some of the most dedicated wonderful teachers of any community. My child is going to leave the system very well prepared for college. Our students go to some of the finest colleges and universities. I think that our teachers – the entire educational community does an excellent job. We have one school that has 48% of its population ELL. I don't think you will find that in any other school in the state.

Alderman DeVries asked and that is language assisted.

Dr. Ludwell answered yes that stands for English Language Learner. The teachers in that school are there because they want to be there. They are very dedicated. They are committed to the children. I am not making any excuses. I am proud of the schools and proud of the school system. I think that students coming out of the system are getting the best education possible.

Alderman Shea stated my first question is the City has a budget proposal of \$143 million. How much of that is really coming from the...what percentage is coming from the state? In other words what percentage do the taxpayers of Manchester pay towards the budget that is being proposed by the Mayor?

Mr. Sanders responded I think that might be better answered by Mr. Clougherty. I am guessing as to what the local taxpayers are paying under the Mayor's \$143 million proposal.

Alderman Shea asked is it \$100,000? Is it \$80,000? Is it \$50,000?

Mr. Sanders answered my guess would be somewhere in the vicinity of \$49 million.

Alderman Shea asked so that is what the taxpayers are responsible for out of the \$143 million.

Mr. Sanders answered let me change that to \$48 million.

Alderman Shea stated the second point I want to get at and it hits upon what she was saying about scores, it is a criticism. Why doesn't the school system identify kids...

Vice-Chairman Gatsas interjected can I just get a clarification. I don't want to interrupt you but can we get a clarification because saying that the taxpayer only pays \$49 million on the school side I don't think is a true number because you have the statewide property tax on the school side that the taxpayer may pay out of his left pocket or his right pocket but he is paying for it. You have the local tax for education that he is paying for either out of his right pocket or left pocket. I believe that the revenues that the City...

Alderman Shea interjected I asked him what money came from federal, state and other and what money comes from the taxpayers directly. I now that the state funding is obviously coming from every citizen in the state and not necessarily individually from someone in Manchester and I realize that we have the rooms and meals tax too but that is a different story for a different day. Basically what I am trying...

Mr. Sanders interjected I do want to be clear because I might have answered a question I didn't actually hear or get asked. At \$143 million just in rounded millions of dollars the state property tax would be about \$23.5 million and the local property tax would be about \$48 million. That is my understanding of the Mayor's budget. The City Finance Officer would know better. I am just talking about direct taxes with school attached.

Alderman Shea stated I just want to hit upon another subject and I will stay within the time limit obviously. When the middle school was developed and it was changed in terms of its philosophy from the senior and from the elementary my point is that we lost a lot of kids that could be identified at an earlier age and then could go into the middle schools and they could be identified as gifted and talented in the areas in which they are going to proceed. I know there is a person sitting here that could be identified, right here, this person is serving as a School Board member who was in the gifted and talented program and went on to college. My point is that if we could do that in the City we wouldn't lose as many kids to the

Ombudsman and PASS Programs because there are kids in the fourth or fifth grade who could be identified who could go into the middle schools and be in advanced placement and then go into the senior high schools and kind of compete with kids who are coming out of prep schools in other areas of the country when they want to get into schools. Now I realize that Central does a very good job and I realize that Memorial does but a lot of these kids are backed up by parents who have resources that enable them to get into these schools and when you are paying \$40,000 a year we are losing a lot of kids and I think the communities who don't have that same representation, these parents, their children should be identified at an earlier age and maybe it would cost the City less in legal fees and other things to handle these kids that are bored in school and get into a middle school program that doesn't meet their needs. I am really...I think that is an integral part of any school system and I think we are losing a lot of kids in that regard. I think that the School District should look at that very seriously.

Alderman O'Neil stated I will try to be very quick. I am operating off of the package of April 21 and I think it is the third page that Dr. Ludwell referenced. It is actually titled 1 of 4. I will try to be quick. Can there be a follow-up that would explain and it might be in here and I apologize if it is with all of the paperwork we have but you talk about the community partnerships and the Ombudsman program. Can we get a summary of what that is sometime in the next week or two if possible? You seemed to indicate that about 78 ½ positions on that page would be eliminated – 36 in the general fund, 14 ½ administrative and what is LOA?

Mr. Sanders responded those are teachers on leave of absence.

Alderman O'Neil asked am I correct with the 78 ½ positions eliminated.

Mr. Sanders answered I would say you are correct that 38 positions would be eliminated at the schools, 14 ½ in administration but the LOA positions are really a matter of funding. There is a teacher or substitute or somebody in the room for those leave of absence positions.

Alderman O'Neil asked so that \$1.2 million is funded positions then.

Mr. Sanders answered yes it is funded positions.

Alderman O'Neil asked so I shouldn't group those...

Mr. Sanders interjected you should not add those.

Alderman O'Neil asked so of the 14 ½ administrative positions how many of those are currently filled.

Mr. Sanders answered all of them.

Alderman O'Neil asked and how about the 38 teachers.

Mr. Sanders replied I would say all of them. We haven't identified those 38 teachers yet. We do have retirements and other issues there but I think it is safe to say they are filled in schools.

Alderman O'Neil asked should there be a bulletpoint then...there has to be some unfilled positions. I know your goal is to always fill but I can't believe that every position is always filled. Shouldn't there be a bullet of unfilled positions?

Mr. Sanders answered there could be. We probably at any point in time have somewhere between 5 and 10 positions open.

Alderman O'Neil asked district wide that's it.

Mr. Sanders answered yes I would think so. I don't have the HR person here to answer that but I believe so.

Alderman O'Neil asked how would the School District feel and you don't have to answer this today but just give some thought to MCTV being a CIP project and secondly to the School Resource Officers at the middle schools being a CIP project. You don't have to answer it today if you don't want to.

Mr. Sanders asked when you say CIP project.

Alderman O'Neil interjected it means that the money would have to be used for its intended purpose. To be honest with you we could say that we are funding that line item or believe we are and you still could decide on July 1 to eliminate the School Resource Officers at the middle schools.

Mr. Sanders responded I guess my first concern would be are you going to charge me the debt service on that CIP project.

Alderman O'Neil stated there is no debt service. They are all cash I believe.

Vice-Chairman Gatsas stated I think Alderman O'Neil is going down this road because two years ago we put \$2 million into maintenance and it never went to maintenance of the buildings because the School District decided to do something

else with the money and the best we can do is give you a bottom line. I think that is the extent of where he was going.

Alderman O'Neil stated it would be dedicated funds for a specific purpose. The money would have to be used for that purpose. I will end with a general comment. I am always concerned when I see the School Athletic Director at a meeting before the Board of Aldermen. Athletics is short money to be honest. Mr. Gosselin in working with the various Committees at the School District has done a great job. We have more kids participating than ever. I know there are some additional things that we would like to get accomplished. I actually think that athletics is short money. I always liked the day when we had three budgets – general school, athletics and school food and nutrition. I just have concerns and I don't want to bring up the Gill Stadium thing because if you followed it, it set off World War III here a number of times. I hope there is some strong consideration given to athletics. It is an easy target but in my opinion the pros definitely outweigh the cons. Anytime we have young people participating in an activity I believe it keeps many kids in school. I know we have concerns about a high drop-out rate. I think some kids stay in school because of athletics. I think we have a pretty good policy regarding grades, which challenges them to remain active and not just show up. I have some concerns about that. Thank you, Mr. Chairman.

Dr. Ludwell stated I am in complete agreement with you except for one comment. Athletics is not an easy target. It is a fundamental part of an educational program, especially at the high schools. There is nothing here that was an easy target. This was a very painful process.

Alderman O'Neil replied I apologize. I didn't mean it as strong as that. I appreciate your comment. Dr. Ludwell made a comment that we have a School District with many challenges but I think they are doing a heck of a job and the opportunities for young people to go on beyond high school are there and I applaud Dr. Ludwell and his staff across the Board.

Alderman Lopez stated some of my questions were already asked but one of them I want to follow-up a little bit on. When you say an agreement that for example MCTV, they also have a body over there of School Board members so I want to ask the City Solicitor could a special agreement be made like Alderman O'Neil was speaking of that would be binding that the School Board would not touch that money?

Deputy Solicitor Arnold responded that is a question that is tough to answer. I think that appropriately done you could probably achieve that somehow. I would have to look at the different manners in which you could do that given the departments ability to transfer line items within its budget pursuant to the Charter.

Vice-Chairman Gatsas stated they have a Food & Nutrition program that was obviously set-up by ordinance. Couldn't we set-up by ordinance MCTV as a line item for them?

Deputy Solicitor Arnold replied I think the problem with that is that you could set it up but you couldn't guarantee that they would use that money to fund MCTV. That is why I said we would have to look at that.

Vice-Chairman Gatsas stated well I hope you are not saying that because I would assume that the \$15 million food and nutrition line item is used for food and nutrition. I would hope that that is the way that operates. If you can do it with food and nutrition I have to believe that you can do it with any other line item that you want.

Alderman Lopez stated why don't we let the City Solicitor get back to us on that question because if we were to give a special line item when we are obligated to give the final number maybe an agreement can be reached with the School Board and the Superintendent. There are a couple of questions I have. I just want to make sure that Page 2 of 7...there has been some discussion as to the percentage of the direct student and I want to thank you for putting this thing together because know it puts all the questions to bed to a degree that we are...the administrative services is 5% but direct student services is 63% and you went from FY02 to FY06. Actually it was 64% then 63%, 61% and 63%. 5% for FY06 was the school administration and facilities and so on down the line. I wanted to point that out and I am glad you included that. The basic question I have and you can comment on it later but the basic question I have is the \$11 million I am trying to find it here and I might have missed it. Can you tell me where the \$11 million in school projects in the CIP educational money is in your program here?

Mr. Sanders responded in the \$148 million that was approved by the Board of School Committee, we did not include any debt service for the CIP program because we didn't know what the CIP program would be.

Alderman Lopez replied there is \$11 million in federal money coming in.

Mr. Sanders responded oh you mean the federal grants. I'm sorry. They are not part of our general fund appropriation request so they are outside of the general fund. We do not include them and couldn't include them in this schedule.

Alderman Lopez stated okay but I am still trying to understand the \$11 million in anticipated federal grants for the operation of special school projects. Have you identified where that \$11 million is going?

Mr. Sanders responded yes we have and I thought...well let me make sure I have it before I say you missed it. If you look at the letter I sent yesterday, April 21, it is towards the back. It is the third from the last and second from the last pages and it is a detailed listing of all of the federal grants that we have received for the last five years.

Alderman Lopez asked is that the revenue one. What number is it? 4 of 7 or 4 of 8 or what?

Vice-Chairman Gatsas answered 1 of 2.

Alderman Lopez asked is that a different memo. I don't have a letter from April 21. Okay, so the \$11 million is included in this correct?

Mr. Sanders answered yes.

Alderman Lopez stated for some reason I didn't get that. I will take a look at it later. Let's go to page 5 of 7. You received \$14.9 million and you applied a debt service of \$10 million. Is there an explanation on this as to the future and how this is anticipated for the School District because I thought and Kevin correct me if I am wrong but I thought the money that we collected and applied to debt service was supposed to last us for a long time. How does this work? I asked for an explanation and I just got numbers. Did I miss something?

Mr. Sanders responded you are correct. There is a forecast there. We remain to collect the last Bedford payment of \$2.2 million. I am forecasting that we will receive that in the next 10 days. They have been billed the amount and told us that they were going to pay it with their May manifest. I just wanted to point out that there is still a second semester capital tuition to be paid. That will all be paid and we will have collected by the end of this fiscal year \$14.9 million. We will have completed the three-year agreement with Bedford at the end of this year and there will no longer be any capital tuition paid by Bedford. They paid us \$10.6 million over the last three years under that agreement. As part of the revenue budget of the School District we make recommendations. If you turn to the third page of the letter we were just looking at...not April 21 but the one you just mentioned, the third page from the front is a revenue projection for the District. One of our revenue items or two of our revenue items are related to the capital cost tuition number and you will see that down below in the middle of the page – tuition capital cost Bedford and then tuition capital cost Auburn, Hooksett and Candia. You can see that as part of arriving at our revenue numbers each year we incorporate utilization of that capital tuition money and it has been used rapidly. It is not going to last 10 years. It is probably not going to last more than three more

years. We are recommending using \$2.8 million of that \$4.9 million next year. If you look at the FY07 column under capital costs Bedford you will see that we have \$2.850 million in there so we will be bringing that \$4.9 million down next year to \$2.1 million and then we will have \$2.1 million to use the following year and then it will all be gone – the Bedford money. We will still be getting money from Hooksett, Candia and Auburn.

Alderman Lopez stated maybe you can give us a written document. I asked Kevin about this because there are a lot of misconceptions out there about this money. Then the fact is in what year do you think it is going to cost the City money. After this money is gone after three years as you indicated, it could cost the City and I have heard numbers like \$6 million and \$10 million more in the school budget. Has anybody had any discussions about this because the rumors are out there and I have had calls from people telling me this. We need to get a clear explanation so everybody is on the same page. If you want to respond fine but I have to have something that tells me that in the 2009 budget it is going to cost the City \$6 million or \$10 million more because we are losing those students and maybe we are not spending this \$10 million wisely. I don't know. I will leave that to Kevin and the Finance people to say it is okay to put \$10 million towards the debt but I don't think the intent from the conversations I have had before...it was never the intent to take the \$10 million and putting it towards debt. Maybe financially it is feasible to do that.

Mr. Sanders replied first off under the Bond and Denture Agreement we are required to put the capital tuition money towards debt service. We are not allowed to use it for anything but debt service. It explicitly states that it must go towards debt service. The amounts that are determined that we want to use in any particular year are subject to the approval of the Board of School Committee. So you first question as to what is going to happen if Bedford leaves and how soon is that there are today just in round numbers 1,000 Bedford students at West High School and there will be 1,000 Bedford students next year at West High School for the fiscal year that we are talking about. The year after next, the year that begins in September 2007, that is 15 months from today, there will only be 500 Bedford students in our high schools. I am using rounded numbers here but we collect from Bedford tuition for those 1,000 students of about \$7 million a year.

Vice-Chairman Gatsas asked what was that number again.

Mr. Sanders answered \$7 million. They pay about \$7,000 per student. So when half of them go away in September 2007 we will have an issue of about \$3.5 million in 2007. The year after this one. The fiscal year 2008. Then in the subsequent two years they go down 250 each. So there will be 500 in September 2007 and 250 in September 2008 and they will be gone in fiscal year 2009 and the

entire \$7 million will be gone. All of this capital tuition will be gone also. So in that end state if I could say September 2009 when Bedford is gone we will lose \$7 million of operating tuition and just looking at this next year's budget we have \$2.8 million in there for capital tuition and that will be gone. So the \$10 million number that you mentioned is close to the ultimate impact in three year's time.

Alderman Lopez stated I think that is very important because there are decisions we have to make today for the future. I am not going to ask you to give us a written document. The City Clerk can pull that one section out for me so I can absorb what you said because I think the point of today is going to be the justification for tomorrow really. So whether it is \$143 million or \$145 million or \$148 million we are looking down the road to another budget and we are not going to have the necessary funds to sustain what we have. I think that is what everybody is looking at.

Vice-Chairman Gatsas stated just a couple of quick questions. The teacher reduction of 38 general fund positions, what are those positions and what...do they have anything to do with a central component of any one project that you have at the School District?

Dr. Ludwell replied we have identified the number of positions we believe will be necessary at the \$143 million number. We have not identified the specific positions.

Vice-Chairman Gatsas stated can I ask you a very blunt question. You showed all of these. There are 23 schools in the City of Manchester and we have 52 principals I think. Is there any reason why you didn't and I guess that goes to almost two principals or vice principals or whatever it is per school. I remember being at Smyth Road School with maybe a few less children than what is there today but we only had one principal. You did this allocation but in here you removed teachers that are the most important component of teaching children...

Dr. Ludwell interjected absolutely they are.

Vice-Chairman Gatsas stated and you didn't eliminate principals where maybe one principal per school would be fine. Is there a reason?

Dr. Ludwell responded yes. One of the issues we are facing as a School District is that we have a shortage of administrators. We don't have Assistant Principals at all of the elementary schools and they are much needed so we are already trying to address how to add...I believe we added two Assistant Elementary Principals last year. The preponderance of administrators certainly increases at the middle school and you will find many of them at the high schools and when you are running high

schools of 2,400 there are life safety issues that demand that they have that kind of supervision. Is there a balance between the administrative functions and the security and safety issues of large schools and teaching positions?

Vice-Chairman Gatsas replied you are not trying to tell me that Assistant Principals are put in these schools as security people.

Dr. Ludwell responded I did not say that.

Vice-Chairman Gatsas stated well you said that the security interests of students are at risk.

Dr. Ludwell replied security and safety and by that I mean the safe operations of the schools to make sure that discipline is enforced and to make sure that the halls are monitored and to make sure that events are covered with an administrator. I do think that is important also. I will leave it at that.

Vice-Chairman Gatsas stated the elimination of the Ombudsman Program, I find that deplorable.

Dr. Ludwell responded I do too, Sir.

Vice-Chairman Gatsas stated I find it deplorable that you would even put it on this piece of paper because I can tell you...I am going to pass it out to my colleagues and this is a testimony of some of those children that are in the PASS Program and I believe the Ombudsman Program. It came to the State House. I didn't see anybody from the School Board or the administration with these kids. They were up there saying that alternative education is a great thing. That is why the Governor's bill passed the Senate, because these kids were up there advocating. I didn't see anybody from the School District there to help them. I find it deplorable that you would put it on this piece of paper when we have one of the highest drop-out rates in the state. It is not right to play with those kids lives that are the most challenged in this City. I noticed that there was a stream of people that came to the State House to testify when it was about putting the School District under the City as a department but nobody on the School Board took the time to go and defend these kids and help them with the program. Nobody. I tell you to read the testimony. I brought Senators down to MST to see the PASS Program so that we could move it forward. When you hear a young lady sitting in front of you saying that she was homeless and living with her mother in a car and if it wasn't for this program she would have never been in school and then her mother died and this is what kept her in school was the PASS Program. I find it deplorable that anybody can sit there and put this program on a piece of paper when you are talking about \$148 million.

Dr. Ludwell stated Sir I find that list deplorable also. I brought the Ombudsman Program to Manchester.

Vice-Chairman Gatsas responded then you shouldn't have put in on this piece of paper. If you thought it was deplorable and you brought it to Manchester it shouldn't be on this paper.

Dr. Ludwell replied there is very little that isn't deplorable on that list.

Alderman Lopez stated I would ask that a courtesy be given to...

Vice-Chairman Gatsas interjected I understand but Alderman Lopez I will have you read the testimony of these people.

Alderman Lopez stated I am very familiar with it and I got all kinds of documents too but I implore you to please...

Alderman Roy stated saying in a similar vein, looking at the numbers and I am on page 1 of 4 I find a lot of things on that list deplorable as well but I am going to ask some more general questions. One thing we worked on and I know the School District has worked on considerably is the dropout rate. Almost every instance on this paper of a deduction I just see that dropout rate going in the wrong direction. Whether it is the Ombudsman Program or the community partnerships or the resource officers what impact is this going to have on the children? As you can see that is our biggest concern. When I see Ombudsman on there I also am appalled. I have had family members go through that program and I am very glad that you brought it here but eliminating it is not the direction to go in for the City of Manchester. In broad terms, athletic reductions, everything on there appalls me so what does that do to our dropout rate and is there any response to that?

Dr. Ludwell responded I view this as the beginning of the dismantling of the school system as we know it. I do see everything that we have done over the last four years is gone with this budget. I do not see the needs of at-risk children being addressed by this budget. I do see the dropout rate increasing with this budget. I do see safety issues increasing with this budget. I don't look forward to overseeing this kind of budget.

Alderman Roy stated one follow-up comment to an earlier conversation. The Finance Director for the City has offered to put together a memo of a comparison and work with your Assistant Superintendent of what a potential of \$2 million in savings of out-of-district placements would purchase us. Initial numbers look like it could be close to a \$20 million facility to bring children back to Manchester and

create a revenue source. I would urge the Superintendent and Assistant Superintendent to work with our Finance Officer and get us that as soon as possible.

Alderman Lopez stated I want to get into this discussion a little bit because I think it is important now that we are talking about it. I know some of the people that work with the dropout kids and unfortunately I have information that is not totally what Alderman Roy is indicating. In 2000/2001, the dropout rate was 10.9%. From 2004 to 2005 it was only 6%. In real numbers 263 kids in 2000/2001 were dropouts in the Manchester school system. These are numbers coming from my resources. That is down to 146 last year. So the program is working and I do agree with you Alderman Gatsas and Alderman Roy. The dropout kids are the ones that always get left aside. It is just like the people who don't have the money to buy the necessary things. They get left by the ones who can afford it. The state average for a four-year formula was 13.3%. In 2004 and 2005 the Manchester School District was tied with Rochester. You know it is a major program. There is no question about it. It does on deeper than that. If these kids don't have anyplace to go and I think it was...we had a seminar on gang related things in the City of Manchester and that is a whole other subject but these kids are going to be joining these gangs and even though the Police Department is well aware of what is going on in the City of Manchester I personally would get rid of an Assistant Principal and keep these programs. It should be the last thing in the world and I don't think the Aldermen are going to allow that to happen because when you don't have the resources and you come from a family of four or five and you don't have the money and your mother or father is an alcoholic or whatever the case may be they go to people like Steve Schubert who helps them.

Vice-Chairman Gatsas stated Jim Schubert.

Alderman Lopez stated right and other people in the community that they look up to and can talk to. People at the Y. People all over the place. I have had dropouts come to me. So it is important. Those that are going to get by, those kids 50% or 80% if we want to go that route, 80% of the kids that go to school don't have a problem. It is that 20% that are going to have a problem and you know what, it goes on. The statistical data nationally that comes off the website, 75% of the people that are in jail nationally are non high school graduates. So you know this is all statistical data out there. It is just not going to happen because if we have, with all due respect, if we have administrators who think this is going to happen you are going to destroy this community. These kids are going to join gangs and we are going to have more trouble in this community. Thank you.

Alderman DeVries stated briefly if you could talk about the "No Child Left Behind" because occasionally we read about some challenges to that system. My

curiosity is are there any exemptions available or anything that is being processed through federal legislation that might exempt your District from some of the costs, especially if they are unreimbursed costs that maybe has pulled this budget...some of the additional testing requirements that are costing us money so that our administration doesn't have to make those tough choices between another round of testing updated once again or a proper educational tool – teachers, programs, etc. Are there any exemptions that might occur?

Dr. Ludwell responded I am not aware of any exemptions at all. It is a very complex law. I believe it is 1,000 pages long and has 2,000 pages of regulations attached to it. The bar is raised every year. Manchester along with many other school districts are faced with the same issue that although our test scores are improving every year the bar is raised above the improvement so we are at a never ending pace of improving yet the bar is higher. We are also faced with the tests changing. We are also faced with the issue that one of the things we really need to do as a District is have an ongoing yearly assessment of the students, which we don't have. It does present a formidable challenge to the District.

Mr. Sanders stated I would just add to that that the fiscal implications of “No Child Left Behind” are going to become increasingly clear if through no other mechanism than through the Title I grants that we receive. To the extent that our schools fail to make adequately yearly progress in consecutive years and we do have schools that you are aware of that are in that situation, the set aside provisions of Title I become much more significant. It starts out that they withhold 5% and then 10% and we have schools that are already at 10%. That can go up to 20% and we could be facing that situation in the Manchester School District in the next year or two at more than one schools. So the Title I money that we are looking at today in rounded numbers of \$5 million that we are able to hire teachers with, the set asides require us to literally take that money out of circulation and set it aside for professional development of teachers and for school choice and that sort of thing. 20% of \$5 million is \$1 million and it is a big number.

Alderman DeVries asked did we accomplish anything with the money we have invested into “No Child Left Behind” to date.

Mr. Sanders answered others need to decide if they think we have. I would say that we are moving rapidly towards having all highly qualified teachers in the School District. We have expended significant amounts of money in that area and I would tell you today that it is not all done but it is close to being done and it will be done and that has been the major initiative that principals and teachers have participated in. I think our certification of teachers is almost complete in terms of having qualified and certified teachers across the classrooms. We spent a lot of

money in the area of professional development. We are making progress as the Superintendent said on the tests. We are not making adequate progress as is stipulated in the law but we are making progress not everywhere but in most places. I think that we have only been at this for two or three years and I think if we had been at it for 10 or 15 years and weren't getting what people expected that would be legitimate but I think that no one in this country right now has this completely figured out except those who are in school districts that are very high performing districts. We are in the same place as a lot of other districts right now.

Alderman DeVries stated one additional question because I know when we have spoken in the past we have talked about curriculum changes or upgrades and trust me this is why there is such a difference between the Aldermen and the School Board. They would know exactly the curriculum change they are looking to address but how necessary is the upgraded material that you had hoped to bring into place for this upcoming school session to maintain the "No Child Left Behind". By not accomplishing the goal of updated classroom material or course directives are we automatically once again setting up additional schools or grades for failure?

Dr. Ludwell replied if we have any good fortune this year budget wise it is that we are not requesting a textbook adoption. This year we will be piloting materials in Math and I believe Language Art. Next year we will as a community be faced with about \$1 million for textbook adoption for one of those areas. This last year we went through curriculum adoption and basically that was reviewing the existing curriculum and making it mesh or tying it in to the state standards. The state standards are what are used or what we are tested against. So we accomplished that much. The next step is to pilot possible textbooks that match and allow the teacher to teach those standards in the curriculum. So that is where we are at this year, this upcoming year. It will be the year after that that we will have to face that challenge.

Alderman Shea stated I compliment Alderman Gatsas and Alderman Lopez for speaking about the programs for the kids that have special needs and drop out of school that then go to the PASS Program. My point is that I concur and the criticism that I hear about the School District is there are too many Chiefs and not enough Indians. In other words, the heart of education is in the classroom. I compliment the Mayor for bringing this budget before everyone here so they can see and analyze it. We have never analyzed a budget as carefully as this one because it seems that we weren't interested or there wasn't that much of a concern. My point is that I think that if the people at the School District along with the people on the School Board would examine some of these items here and the feeling that they are getting and the thoughts and ideas and the discussions taking place at this level, if they could incorporate those levels because we are reflective

of all of our constituents and so are you people on the School Board and the District is responsible to them but I think some of these things here certainly could be shifted around so that the needs of the kids and not the wants of the District would be incorporated into the budget. I am not sure exactly how this budget is going to be adopted but I would say that you heard it loud and clear here that there are certain situations that we are not pleased with and one of the concepts that was brought out is also the idea that were brought forth by Alderman Gatsas and Alderman Lopez. You are either going to pay now or you are going to pay later and it is going to be a tragedy in this City if some of these kids that are only looking for Jim Schubert who is tremendously respected in the community and has special awards and all of the kids come back and thank him and certainly some go on to higher education...I mean it doesn't seem as if that would make sense to emphasize certain things and not do this. I say confer with some of the Board members and see what their ideas might be and how they look at these items in terms of importance and possibly when there is a final budget drawn up maybe we will have a different conclusion than this right here.

Alderman Garrity stated Dr. Ludwell you said you were going to bring a new Language Arts curriculum in next year correct.

Dr. Ludwell replied we have approved the elementary...I believe the high school is on the schedule to be submitted to Curriculum & Instruction this month. Once they are approved the following year they take a look at piloting various textbooks to see which one matches the curriculum the best.

Alderman Garrity asked wasn't it only four or five years ago that we updated the Language Arts curriculum in the elementary schools. It hasn't been that long has it?

Dr. Ludwell answered I don't know. I think it has been eight years.

Alderman Garrity stated I think it was six at the max. I can remember it when I was there later in my term on the School Board that we were talking about Language Arts at the elementary level.

Dr. Ludwell stated I think it is also important to go back to the idea of "No Child Left Behind" and even a curriculum that might have been adopted three years ago would have to be looked at to make sure it matches the state standard.

Alderman Garrity asked wouldn't you put the secondary before the elementary since the elementary is more updated than the secondary I believe isn't it.

Dr. Ludwell answered I don't believe so.

Vice-Chairman Gatsas stated Alderman Shea I am going to give you the opportunity to take that blank piece of paper and we are going to put something on it. I am going to give you something to write down because I am going to ask Mr. Sanders and I apologize Dr. Ludwell because I was shocked to see that on this piece of paper because I know you brought that program to this City and I thought that you would have fought tooth and nail to find...even if you eliminated and I don't care where you would have put the number but even if you eliminated another 38 teachers but kept that on this piece of paper that was wrong. I would have thought you would have fought the School District for that. Anyway, Alderman Shea let's start with your white clean piece of paper and see if we can put some numbers on it. Let's take last year's budget of \$142 million. We have already heard or at least I understand that there is \$1.1 million coming back to the City in a surplus. Is that correct?

Mr. Sanders responded I am not aware of that.

Vice-Chairman Gatsas stated I heard that number. I thought it was \$1.8 million and you spent \$700,000. That number has not been on TV that I have heard?

Mr. Sanders replied you may have heard something on TV. I was just saying that I am not aware of us returning \$1.1 million to the City.

Vice-Chairman Gatsas asked so you are returning nothing to the City.

Mr. Sanders answered that could be.

Mayor Guinta stated may I...

Vice-Chairman Gatsas interjected let me just assume because my memory is pretty good your Honor and let me just help Alderman Shea to fill out his piece of paper. Let's take the \$142 million and let's assume that I heard right that it was \$1.1 million from a \$1.8 million number that was going to be returned.

Mayor Guinta stated you did hear right by the way.

Vice-Chairman Gatsas stated let's subtract that out and let's take a look just for one second at the reduction of \$1.7 million that Mr. Sanders said is coming out of the debt service line. So that is \$2.8 million that comes off the \$142 million. That brings us down to \$139,403,000. Let's just deduct one thing on this piece of paper that is deplorable because I had this conversation last year in the budget and for some reason I couldn't get anybody to agree with me. The LOA's, those 26 positions, let's eliminate that number of \$1.256 million from that budget line.

That brings us down to \$138,147,000. If I look at nothing any different than where the School District was in their budget and where the Mayor is, that is \$5 million. I am just going to add \$5 million to the \$138 million and that brings us to \$143 million. That is the \$5 million you were looking at from the \$143 million to the \$148 million. So this deplorable piece of paper disappears and we are at the Mayor's number of \$143 million.

Alderman O'Neil stated I was going to summarize and then one of the items I want to follow-up on. Surplus, debt service, leave of absence correct?

Vice-Chairman Gatsas responded that is correct.

Alderman O'Neil stated I just want to make sure I am correct on this debt service. I asked Mr. Sanders this earlier. Is there a \$1.7 million difference in the debt service? My understanding was that the \$1.7 million going forward was to move forward on some initiative such as closing up the open concept classrooms in some of the elementary schools. I guess I am not clear on the debt service issue.

Mr. Sanders stated our debt service next year will be lower by, if you look on the first page on the debt service line the debt service is showing to be about \$1.7 million lower but that does not include any additional debt service that we will have coming out of the CIP program.

Alderman O'Neil stated so I guess my question to you then is can doing the work that has been talked about in many of the elementary schools, closing the open concept, will that get done with the reduction in the \$1.7 million.

Mr. Sanders responded no it will not. It will only get done at one school, Parker-Varney elementary school.

Alderman Lopez stated the TAP Program should stay there. Those are kids who are expelled from school. Just keep that in mind.

Vice-Chairman Gatsas stated I am saying here is your \$5 million increase that you asked for to do what you need. I am not looking for...

Alderman Lopez interjected I just want two things. The \$143 million or \$147 million as you indicated I will work from that number. Recommendations that the Superintendent has on page 1 of 4 they will have to make the decision if that is the number as to what goes or add to it whatever the case may be. Is that correct Dr. Ludwell?

Dr. Ludwell stated this isn't a formal recommendation. This was an attempt to indicate the severity of the cuts that would have to be made to bring the budget from the \$148 million to the \$143 million.

Alderman Lopez responded I understand that. You are going to make recommendations along those lines. It doesn't necessarily have to be the first five. It could be whatever...

Vice-Chairman Gatsas interjected let me just help you with this. If we funded their \$148 million we wouldn't be having any discussion would we.

Alderman Lopez responded no.

Vice-Chairman Gatsas stated well let's take the \$148 million. Let's start with that number and let's subtract \$1.1 million that is being returned, \$1.7 million for debt service and the number you have here of \$1.2 million. We are going to end up at \$143 million. This is giving them their full budget and not playing within their budget.

Alderman Lopez asked does that include the 3%.

Vice-Chairman Gatsas answered no that gets you to their number.

Alderman Lopez stated okay fine. Mr. Sanders indicated that it was \$23 million from the state. We have you down for \$24,660,000. Do you agree with that number or Kevin is that the right number? Who wants to answer that? I am talking about the \$3 million we have in the budget that as Mr. Sanders indicated was \$23 million. That was in 2006 but this year it is \$24 million. Is that correct? The budget that the Mayor presented he indicated \$24 million. Is that the correct number we are using?

Mr. Clougherty answered \$24 million for what.

Alderman Lopez stated state education because Mr. Sanders said \$23 million. I just want clarification.

Mr. Clougherty responded my understanding is that number was going to stay level for this year. I can go back and check it.

Alderman Lopez replied well how did we get that number in the Mayor's budget if we don't know.

Mr. Clougherty stated what I am saying is I think the Mayor's number is right. This is the first time I have seen this number from the School District. I will have to go back and check that.

Alderman Lopez asked does the School District have anything to say. Mr. Sanders do you have any knowledge about that? You said \$23 million and we have \$24 million.

Mr. Sanders answered we have \$23,431,979 and we obtained that number from the Department of Education website as to what the property tax would be for FY07. That was probably two months ago. It may have changed. I don't know. I will confer with the Finance Officer of the City.

Alderman Lopez asked so if you could give us some written documentation on what the number is I would appreciate it.

Alderman Roy stated just so I am clear on the LOA and the money that is requested in your budget, those are leave of absence positions correct.

Mr. Sanders responded that is correct.

Alderman Roy stated so the 26 positions there that means that a District employee has taken a leave of absence for let's say hypothetically a pregnancy. They continue their leave of absence after their allowable time. Then you have to replace them in the classroom correct.

Mr. Sanders responded we would take a zero view of the LOA and see if we can manage it. That is very aggressive and situations could arise that could put us at issue but before we would do anything at the schools we would eliminate the LOA.

Alderman Roy asked so just for a synopsis very quickly the \$1.256 million if I was looking at that there is a cost associated with it but you are telling me that you may be able to live with that reduction. Is that accurate?

Mr. Sanders answered that is the area of all of our...90% of the flexibility in the School District's budget to deal with unknown matters and unknown situations that arise. The school year opens and class sizes at one school are beyond our ability to deal with and we need to hire additional teachers...it would be from the LOA fund that I would use that money but live with is a difficult thing for me to respond to. It would be the first action that I would go to if you told me that we had to reduce the budget.

Alderman Roy stated the \$1.1 million and the \$1.2 million in LOA numbers were used and I tend to watch TV as well as Alderman Gatsas and it seems like as the school year progresses those numbers get shuffled between line items and we are hearing today that there may be a surplus or there may not be a surplus. How much flexibility or in the last six months how many times have you added or subtracted to those line items at either Finance or the Board of School Committee?

Mr. Sanders responded in September we transferred \$700,000 out of our salary line item to cover the purchase of textbooks and supplies. If we had not had that \$700,000 available to us we would have been turning down textbook requests in August. We originally set a budget that had about a \$500,000 line item for textbooks. We spent...we are at \$780,000 for textbooks in the year that we are in right now. If we had not had some flexibility in the salary line for that transfer...that is where that money went to. Subsequently we also and I don't have this right in front of me but we moved some money to the equipment line item in anticipation of purchasing our SIS system, which we are on the verge in the next 30 days of making the decision whether we can or we can't so we set aside about \$150,000 to do that. The remaining surplus that we have been showing and I think in the April meeting we showed after all of the things that I just talked about we said we expected to have about \$580,000 or \$600,000 as an expenditure surplus. I would expect that entire amount or nearly that entire amount to be used up in the purchase of an SIS system or if we have a budget that we cannot live with we will have to pre-purchase some things for next year. So when surplus numbers were spoken of that is my view.

Alderman Roy stated just one philosophical problem that I have. If numbers are going to come in on a line item that are salary I would like to see them used for salary. When we talk about new positions and pink slips and 38 positions or 26 positions being cut I would like to see that in that line item. The buffer of how you manage that budget and the \$1.1 million...you had a positive when I became an Alderman and I told my School Board member that I would always give that positive as long as it came back and you never ran a deficit. I agree on having a buffer there for you to run your budget. What I disagree with is budgeting for \$500,000 of textbooks and spending more. If you budget for \$780,000, spend \$780,000. If you need to spend \$780,000 but it in a line item and we will work with you to get you that number. I don't disagree with your spending over the line item if you tell us in the beginning what it is used for and that is where I would like to see more accuracy in the budget or an accurate number in the budget and then we can work with exact numbers to get you the right amount of textbooks and the right amount of supplies and the right amount of teachers and the right amount of staffing. That is my viewpoint.

Vice-Chairman Gatsas stated just a clarification for my colleague from Ward 1. All we give them is bottom line. They might tell us \$500,000 for textbooks but if they spend \$200,000 we have no control over it.

Alderman Garrity stated I want to talk about the proposed surplus or apparent surplus that was there. Over the past year I have been watching the Board of School Committee meetings and Finance meetings and at one point it was at \$1.8 million was it not? Over the past year? This past fiscal year that we are in now?

Mr. Sanders asked what was at \$1.8 million.

Alderman Garrity answered the surplus was at about \$1.8 million.

Mr. Sanders stated not that I am aware of no.

Alderman Garrity stated so currently it is at \$600,000 to \$700,000.

Mr. Sanders responded we showed in our April Finance Committee meeting that it was about \$585,000.

Alderman Garrity stated about an hour ago you made a presentation and fought for your SIS system in FY07's budget. You were saying that you weren't going to be able to do this and now all of the sudden you are going to spend \$600,000 to \$700,000 on your SIS system. I don't like surplus being used as a political pawn because of your budget and that in my honest opinion is what you are trying to do. You talked about the SIS system in the FY07 budget and now you are going to fund it out of this year's budget. I think it is wrong. I don't know how ignorant we are around this table but don't do that. \$600,000 or \$700,000 you are going to spend now on the SIS system and you just talked about it an hour ago and putting it in your FY07 budget. It is wrong.

Mr. Sanders replied I discussed the SIS system in the context of a question I received regarding a vision for the future. I didn't intend to and if I did I want to...

Alderman Garrity interjected you were talking in the context of your FY07 budget.

Mr. Sanders responded there is no money in the FY07 budget for the SIS system.

Alderman Garrity replied you were using those statements and saying we can't afford it in our FY07 budget and making it look like we are cutting the SIS system and we are not. You are just going to fund it out of your surplus.

Vice-Chairman Gatsas asked do we want to break for about half an hour for lunch and then have them come back. Do you want to continue with the School District or do you want to have them back at some other time?

Alderman O'Neil asked are there a lot more questions. I have asked them for some stuff they are going to provide.

Vice-Chairman Gatsas stated well we will have them back on another Saturday.

Alderman O'Neil replied I don't know if we need them. I don't want to keep revisiting the same issues over and over again. We have asked them to provide some information and I hope they will.

Alderman Lopez stated personally I don't believe that we need to bring them back here. I think that enough questions have been asked and if there are any particular questions I think...

Vice-Chairman Gatsas interjected why don't we leave it at the discretion of the Board. If we want them back we will have them back.

Alderman Duval stated I just wanted to acknowledge the Committee members who took time to be here today --Committee Member Scott, my own Committee Member from Ward 4, Mr. Herbert and I know Committeewoman Domaingue was here earlier.

Alderman Shea stated Ward 7 was here too as well.

Alderman Duval stated the ones that were here I just want to acknowledge the fact that they took the time to be here and care enough to put time in. I am not saying that the others don't but they had the opportunity to be here and they took the time to do so. Also we have to trust them. They are elected officials just like we are. I view them as being on the same plain. I don't view us as being a superior body in any way and I know that they care about the School District very much and are passionate about what they are proposing. I respect that and we probably will likely not agree at the end of the day but I think we all have the best interest of the school students at heart. We may just be taking different approaches. I appreciate their participation.

Alderman Lopez stated I have had some discussions about this with Dr. Ludwell and Mr. Sanders. The information that you gave us was wonderful because we asked for it and you gave it to us. I have had a number of School Board members tell me that they could not get the line item information. I think as elected officials over there making decisions on the budget that comes before us that they

should scrutinize more clearly so they have a complete understanding of the total budget that you are presenting to them. Whatever it takes I made my points to the Mayor and he works in a different capacity over there but it is all information that we need to make a decision. That is all we want is to make a decision. The only way I can do that is through the information that I receive and the rebuttals I receive. Numbers are numbers. They are facts. For a School Board member not to have the knowledge of professional service complete breakdown like you have given me I think it is impossible for them to make a decision. I would hope in the future that maybe the Mayor and School Board could get together some clear policy because as we have on this side of the Board if I go to Kevin Clougherty who is an officer of the City or Randy Sherman I am going to get the information and that is shared with the rest of us. I just wanted to bring that up because I have had five or six School Board members who could not even tell me about your budget.

Dr. Ludwell stated every document that you have before you our Board also has.

Alderman Lopez responded not before we asked for it.

Dr. Ludwell replied any document that required or any item of information we did respond to as quickly as possible.

Mr. Sanders stated they had the professional services breakdown three months ago.

Alderman O'Neil stated just a request of Dr. Ludwell and the District. I doubt we will need to have them back before us before the public hearing but as we have working sessions beyond the public hearing maybe we can do our best to keep them informed when there are general or open discussions about the budget that Dr. Ludwell and his staff will be available. You may not be required some nights but it would be good to have you here.

Mayor Guinta stated I would like to make one comment if I could. I don't want the Chairman of the Board's comments to be misunderstood and I think it is important enough to have further clarification. There were School Board members who asked for a line item budget who did not receive it. The question was asked and I don't think you said it was impossible, I think you said it was and I forget the actual term you used but it was extremely time consuming or difficult to get a line item budget for the School District in part because of the computer system. Some of the numbers that had been provided to this Board at the request of our Chairman are things that have been asked of the School District and they didn't get it until the Chairman of the Board put the request in writing. I would echo the sentiments of the Chairman of the Board and would hope that any School Board

member in the future and any member of this Board for that matter, if they want a line item budget for \$148 million they should be able to get it. I think that is the point that the Chairman is trying to make.

Mr. Sanders stated that is not correct. The information that we provided the Board of Mayor and Aldermen on Thursday and Friday of this week and specifically the information that Alderman Lopez requested was provided during our budget work sessions to all Board members.

Mayor Guinta replied that is not what Board members have told me.

Mr. Sanders responded I am just explaining. I have no control over what others say. I gave a copy to the Mayor yesterday. I gave to your Assistant a complete book of all of those schedules that we went over.

Mayor Guinta stated I have this and every Board member, you are right every School Board member has this but we are asking above and beyond this book.

Mr. Sanders replied that information is in that book. The information that we gave Alderman Lopez.

Mayor Guinta stated the line item budget is not in this book.

Mr. Sanders responded we didn't give Alderman Lopez a line item budget.

Dr. Ludwell stated we didn't give Alderman Lopez a line item budget. We gave the detail behind these various cost categories.

Mayor Guinta stated if you listen to his comments it is beyond just the request. He said if a School Board member asks for something they should be able to receive it. A line item budget has been requested repeatedly by School Board members and if you are going to ask a School Board member to make a decision on voting on a budget they should have every piece of information. The line item budget that was presented is a 35-line budget. The City has 150 lines that we can look at. I have even more access to that but at least the Aldermen get about 150 lines. The School District doesn't get that and that is part of what the Chairman of the Board is referencing.

Alderman Pinard stated Dr. Ludwell I would appreciate one thing from the School District. I have been receiving calls from people saying they are going to lose their jobs and this and that if I approve the budget. I say that the budget is not going to be accepted until June so don't get those scare tactics out there to scare

the people. I don't think it is fair to the Aldermen and I don't think it is fair to the public. Let's wait until June before we make any decisions.

Vice-Chairman Gatsas called for a recess for lunch.

Vice-Chairman Gatsas called the meeting back to order.

c) Highway Department

Frank Thomas, Public Works Director, stated what I would like to do is review the Highway Division operating budget and if you turn to the third page of the handout that is entitled "Highway Division FY07 Budget Impacts on Operations" what I would like to do is quickly go through what we envision are the potential impacts of the Mayor's budget on the Highway Division and also the 3% budget cut. Under the Mayor's budget first of all I want to compliment him. He did increase some of our line items that were required. As you know we entered into a new solid waste contract that came at a higher price. We had some demands on increased fuel costs and the Mayor did recognize those increases in his budget. However, having said that the Mayor did reduce our salary line item by approximately \$600,000 or 7.37% as noted on the top of Page 3. Part of that salary cut was the elimination of our Recycling Coordinator's position. When I met with the Mayor yesterday I did note to him that that may have been an oversight because in addition to this position providing recycling oversight services basically that position administers the solid waste contract, oversees the drop-off area operation, handles the household hazardous waste collection days, develops and recommends ways of improving our whole solid waste program, a major function of that operation is that she does our landfill monitoring. Landfill monitoring is required by the State Department of Environmental Services. What that really entails is water quality sampling three times a year, quarterly methane gas monitoring, settlement monitoring, and post closure reporting on an annual basis to the State DES. We did put an RFP together and we were going to contract out those services to a consulting firm. When we got the budgeted numbers we found out that we would be looking at a cost of somewhere around \$120,000 a year. In discussing what needed to be done we found out that the person in this Recycling Coordinator's position has a geologist background and had the ability and training to do this sampling, monitoring and reporting and as such we are having that person do that work. So the way I look at it is that position is saving the City \$120,000 in outside professional fees. What we are getting as a bonus on top of that is the fact that she does or that position does again promote recycling, oversee the solid waste program and whatnot so I would urge consideration for that position to be reestablished in our operating budget. The next bullet down

notes the loss of our purchasing agent to Central Purchasing. Our department probably buys more different types of materials and supplies through contracts or whatever and this position is critical to our operation. We still have a lot of questions that we would like to have answered regarding Central Purchasing and how the loss of this position would impact our operations. In talking to the Mayor again the other day we have been informed that most of the duties that that position presently handles for us would be shifted over into Central Purchasing so the putting out of the bids for asphalt, salt, and all of the other various things that we need to carry on our operations would be done through Central Purchasing. I also have raised in my notes that you see some concerns over the amount of revenues that will be generated by the purchase cards. Again, I am not the expert in it but if I just look at my operating budget and my expense line items and in the contacts we have made with Portland, ME who is using these cards it is a good IDEA. It will eliminate a lot of paperwork but it is basically used for small transactions and any rebates come in at the end of the budget year not at the beginning so there is a pre-funding of that operation. Again, we will keep an open mind with the Central Purchasing but I throw out a concern that I have in I know what that purchasing agent does in my operation and it is going to be a big hole to fill if it is not filled somewhere else. Moving down the sheet, detracting the above two salaries from that \$600,000 reduction in salary leaves a shortfall of about \$482,000. Now if we are just looking at making up that total shortfall of \$482,000 that could be up to 16 positions that would be eliminated or lost in order to gain the savings from those salaries. Again, in talking with the Mayor the other day the Mayor gave me his understanding or his proposal on how he would be handling that. He had mentioned to me and as you know the 4% that was taken out of all of the department's budgeted, \$1 million of that is going into a reserve that he will be controlling to fill positions that become vacant over the course of the year so there will be some tempering of the potential loss of employees. The only concern that I have is that typically we are on the bottom of the pecking order. Police and Fire come first. Highway is down the list and if you only have 40% of the money that you have taken out of everybody's budget and you are going to prioritize we may be on the low end of the totem pole. I did try to mention that again if we do have to come up with making up that \$600,000 shortfall in our salary account it is going to have an impact on our operations. Things aren't going to get done as fast. We are not going to be able to respond as quickly. There will be periods of time when we potentially will be shutting down our construction crews in order to reallocate our personnel resources into areas that we have to provide that service, such as trash collection. We can't let trash collection go a day where we could hold off and do resurfacing or street reconstruction. In the wintertime that is when we would see the biggest impact of a loss of personnel. Presently we do try to maintain solid waste collection services and do snow plowing operations. If we do have a reduction in personnel quite frankly refuse collection is going to have to be put off a day or two so that we can assign again those personnel resources into the

snow removal areas, get our snow removal obligations done and then shift back into refuse collection. As I noted in the write-up snow removal and sidewalks would be the third area. So there would be a trickle down effect due to the loss of personnel. Another 10, 12, 14 or 16-person loss is a serious impact. When we have an operation of our size and you take a look at on a daily basis how many people are out on vacations, sick leave, accident leave, light duty it is a sizable number and then you add on these sizable cuts in personnel then it is going to have an impact. Lastly, I discussed this with the Mayor also the other day. We have a little difference in philosophy on how to reduce complements. A hiring freeze in my estimation doesn't target positions. Typically in the Highway Division we have a great turnover in the lower positions like refuse collectors, refuse truck drivers and truck drivers. That is where we have a lot of turnover and people leaving, etc. If those positions are frozen and we don't replace them it is going to have more of an impact on our operation than if I went in and the Board of Mayor and Aldermen or the Mayor told me to eliminate five or ten positions at a certain dollar value. I would go in and take a look at my operations and maybe eliminate a crew here or consolidate a crew there and target positions so that I could maximize my efficiency. However, again when I did voice those concerns to the Mayor he assured me that we would be able to work together utilizing again this \$1 million reserve to fill some of the lower positions that provide the services and do some of this targeting that I talked about and ultimately be able to restructure some of our operations. That is briefly the discussion on the impacts of the Mayor's budget. If you would like I can jump right into the impacts of the 3% budget cut.

Alderman O'Neil stated I think when you look at the elimination of the Recycling Coordinator's position it maybe was just an oversight. From what I see here and I want to make sure I am correct on this, that position currently does the landfill monitoring savings us based on actual proposals you went out for \$57,000 and \$58,000. Is that correct?

Mr. Thomas replied we didn't get numbers in. We did put out an RFP. We did go through the first stage of that RFP as far as qualifying consultants. Typically when we go out for services we do talk to the private sector to try and get a handle on what it would cost so that we know what the budgeting number is. That number at the time was \$120,000.

Alderman O'Neil asked and this is something that we don't have a choice on. This is required by NH DES correct?

Mr. Thomas answered correct.

Alderman O'Neil stated as part of the landfill closure.

Mr. Thomas responded we have to do landfill monitoring from here on out.

Alderman O'Neil stated and if you look at other responsibilities that that position has – promotes recycling, administers the solid waste contracts, oversees the drop-off facility, etc. I would say we are getting our money's worth out of that position.

Mr. Thomas replied that is why I mentioned to the Mayor the other day that I think it was an oversight in the fact that he probably didn't realize these other duties that we had assigned to that person.

Alderman O'Neil asked regarding the purchasing agent and this is just a guess on my part but I would have to...I would think that your department probably procures the greatest number of items in this City. I may be wrong but that is just a guess.

Mr. Thomas answered without a doubt I would say that we do. When you stop and think about it we are buying anything from a pipe fitting to an excavator and everything in between. We do a lot of purchasing and lot of the purchases we make are quite sizable. When you stop and think this year we had \$850,000 allocated to buy asphalt. That is one procurement. Salt is usually in the \$550,000 range.

Alderman O'Neil stated I would think and this is just a general comment and I have one other question that as we work through and that is why I asked earlier about further discussion about the purchasing agent I think if we change some policy here and I will use the example of and this is kind of a fleet related issue but it is applicable I think you know every department gets money to purchase...let's say three or four departments get money to purchase a pick-up truck. Everybody does their own procurement now. We could change a policy that says coordinate it with Highway and September will be the time for the purchase of pick-up trucks and if you are ready for it that is when you are going to purchase it or you don't get it that year. I would think that we might be able to do something similar in expanding the roles of the purchasing agent a little bit over at Highway that would accomplish the goals of the Mayor and many members of this Board. I know that is a further discussion but I just wanted to get that out there. Finally, Frank I just want to talk about the complement. Based on the latest report that we have from HR it shows five vacancies in the Highway Department.

Mr. Thomas responded that is correct.

Alderman O'Neil asked are those 5 in the 16 or are those over and above the 16 positions if the salary number was as presented.

Mr. Thomas answered if you are looking at saving \$480,000 over a period of time, over the budget year, what I did was I took five or six vacant positions now and said okay at the end of that budget year how many positions would I have to have vacant in order to have 16, which was the average salary savings requirement. Noted on the sheet it is somewhere around 26. That is why I have a concern. The 16 positions would be if on July 1 I eliminated 16 positions then I could assure the Board of Mayor and Aldermen that I could save \$480,000. That is why I say yup and that is why I had the discussions with the Mayor the other day to voice my concerns on that.

Alderman O'Neil stated but my question is if you had to eliminate those 16 positions as of July 1 does that include the 5 that are currently vacant so in fact would there be 11 lay-offs or are there 16 lay-offs plus the 5 vacancies.

Mr. Thomas replied that is correct. It would be just an additional 11.

Alderman Osborne stated I want to get back to the positions. You say 16 and then you say a gradual loss of 26 to 30 positions. In layman's language for the people out there can you tell me what kind of devastation that would be to the City of Manchester?

Mr. Thomas responded well if I have a loss of anywhere from 16 to 30 positions in my operation basically what you are looking at is almost a complete elimination of new construction. We would be focusing more on just maintenance – filling the potholes, fixing the catch basins...you would be seeing very little...you would probably see no street reconstruction work and very little resurfacing work. The reason being is that we have truck drivers who deliver the asphalt and there would be a serious impact on services.

Alderman Osborne asked but you are saying the garbage will still be picked up and everything else and the potholes will be filled still, so on and so forth.

Mr. Thomas answered refuse collection is a health issue. We have to collect that. A street doesn't need to be resurfaced but you have to pick up the trash.

Alderman Osborne asked who will be doing the picking up of the garbage. If you lay-off 26 to 30 employees who is being laid off?

Mr. Thomas responded that is why I think at some point you would have to define what positions you want to be eliminated because you cannot eliminate all of your low end positions like the people out there picking up the refuse or driving the trucks during the snowstorms. If you allow all of the lower class positions to be

eliminated sooner or later you are going to be filling those lower class positions with higher class paid positions.

Alderman Osborne asked so I might see you on the back of a truck then.

Mr. Thomas answered maybe driving.

Alderman Osborne and you are getting up to 42 positions with the other budget so we won't get into that too much right now.

Mayor Guinta stated I have to go to another event in about 10 minutes and I should be back around 3:15 PM so I wanted to give just a quick run down of how I got to the numbers. Let me also reiterate that I am not asking at this time for the department head to lay off the positions he is referencing. I think and correct me if I am wrong but what he is saying is that there is a \$600,000 difference at the moment if you compare FY06 to FY07 and if it remains as is then that would be a reflection of 16 positions that would be eliminated at the lower level of your staff. When we had met and this is what I went over with Frank and I will share it with the Board. The total request for Highway was \$22.3 million. The salary line item request was \$8.1 million. Correct me if I am wrong at any point. I appropriated \$7.5 million and then I backed out the 4% out of every single City side department for that attrition management. This again is the first time we are doing it in this fashion where the salary adjustment line item is now created in the budget summary sheet. The 4% is roughly \$2.4 million for the City. I took \$1.4 million of that and returned it to the taxpayer and the other \$1 million is in that salary adjustment. What I am going to have to do is be far more active and assertive in working with department heads, particularly the larger departments like Police, Fire and Highway, to manage the attrition rate. I am doing it through a couple of different ways. One the attrition rate but also the hiring freeze. Frank and I did talk about the different approaches we would take to restructuring and organization and I agree with him, quite honestly. If there was I think the will of this Board from a policy perspective to try to take a look at a reorganization of the Highway Department we could probably do less of the hiring freeze and put in what a new structure should look like. First of all we couldn't complete that in a three-month process. I think it is something that we should and I talked to Frank about this last week sit down and have some work sessions over the summer and talk about that as we move into the performance based budget process next year. So that is something that I am certainly willing to look at and figure out how do we accomplish what I am trying to accomplish, which is trying to identify the overall proper complement of the City given some of the other issues like contributory retirement and some of the long-term challenges that we have to meet our payroll while also trying to maintain the service based organization that I think municipalities are. So the 4% that I backed out of the \$7.5 million number is

\$240,000. That...if you add benefits to that just for edification it is \$384,000 as a savings but just in the salary line item it is \$240,000. That is where I am actually going to have to manage with Frank. What I am asking Frank to do is the other \$200,000, which is the \$480,000 he is referencing. \$240,000 is what I manage. I am going to ask him to manage \$200,000 in his overall budget. That is roughly 2.65% of his salary line item. I think he can certainly do it. I don't think there is going to be a need for any lay-offs in the department beyond the positions that I identified that I would either eliminate or move to a different department within the City. Referencing Central Purchasing I looked at quite honestly who would be qualified in the City to do it. I think Mindy does a great job as a purchasing agent and I think she would, with some help of other City staff, do a phenomenal job with Central Purchasing. The reason I looked at her is because of the fact that so much of the purchasing does happen at Highway. I was hoping that we could, through not just purchasing cards but streamlining the process and using the City as a larger bargaining unit when we purchase anything, soup to nuts, that we could see additional savings. That is in part reflected in different line items that I have in the different budgets. You will see reductions in some of the smaller line items through the budgets as you go through the budget books based on the requests and what I provided. I was trying to give a best estimate as to what I think we could save overall. Again it is a target, not a scientific number. The Recycling Coordination we did talk about yesterday. I did ask Frank to send me an e-mail of the potential companies that could provide that service on a contract basis. That e-mail has been provided. I am going to be speaking with those companies to see if the pricing has changed at all and I can report back to the Board on that. One item that I don't think he went over was the \$43,000 in Worker's Compensation long-term payments. That currently exists in his salary line item. I did remove that \$43,000 and put it into the Worker's Compensation line. I just think that is where it should be instead of managing it through the salary line item. That is \$43,000 less in that item as well. Let me stop there because I think the biggest issue we have probably is that salary line item and how to manage that. So you can get a feel for my approach I am going to probably look at at least on a monthly basis if not twice a month getting a vacancy report from HR and probably meeting with the department heads on a monthly basis during the fiscal year to go over the attrition replacement requests. Quite frankly I had to take the 4% out of the entire salary line item for the City because you don't know where the attrition is going to happen but that is exactly why we put in the salary adjustment line. You know Police, Fire and Highway are going to be probably the departments that are demanding the most amount of that salary line item. We are not going to manage this by not hiring police or fire or by not hiring people who do provide some of the services that I think are required either by law or just by health codes and things of that nature. So that was a bit of my approach to how to try to not just manage the salary line item but try to figure out where to get that salary line item for the entire City to a more manageable number as we projected years out from today.

Roughly it is at \$60 million and it is a challenge. It is almost \$3 million just in contractual obligations for an increase in FY07. Our revenues obviously didn't go up that much so I am trying to balance the revenues we are getting with where can we make the efficiencies in the City without doing drastic 5% and 10% cuts that are happening in Nashua and other places in the state. I am trying to be much more selective and targeted in how we try to get to this number.

Alderman O'Neil stated you Honor you said the 4% was the equivalent of about \$240,000 and then you said something about the department would have to figure out how to make up \$200,000 and then there was a third number that I just missed completely.

Mayor Guinta responded we are talking about \$600,000. The two numbers you mentioned are \$600,000 and \$480,000. The \$480,000 represents \$240,000, which is the 4% that I backed out that I have to manage and the \$200,000 is something that is left over and Frank is going to have to manage. Then there is the \$43,000 that represents worker's compensation long-term payments that is in the salary line item and I think should be in a worker's compensation line.

Alderman Roy stated in the line item detail that I was provided by the Finance Department, the worker's compensation actually went down \$2,400 so either I have been given bad numbers or that \$43,000 isn't there so I would just ask Kevin for an update. Getting to the reason I asked to speak, the Recycling Coordinator is near and dear to my Solid Waste Committee and I would like Frank to just talk not only about the landfill monitoring but the savings that were created over the last six months or closer to a year by that position in order to accomplish the recycling program that we now have and go ahead with the savings over the next 10 years. If you could just address those savings compared to eliminating that position or keeping that position.

Mr. Thomas replied again a major function in the job title is recycling coordinator. This position was instrumental in developing the request for proposals that we went through to bring on a new vendor to provide both recycling and yard waste services. If you remember approximately a year or so ago I think the Board of Mayor and Aldermen was ready to hang me because of the poor services that the City was receiving with delays in yard waste collection and missed recycling, etc. That is one of the reasons why we went through that new procurement. We were able to bring on a new vendor. That vendor is providing an all together different level and type of services to the residents of Manchester, which over a period of time I believe will save the City quite a bit of money. As you know, we have gone to weekly recycling. Within the next year or two we will be going to what is called single stream recycling when you have just one large toter or container where you put all of your recyclables in one container. That will be brought to a

drop-off area. The firm will be constructing a material recovery facility out on Dunbarton Road. That facility will take our recyclables and in addition will take recyclables from some of the abutting communities. We as the host community will be receiving benefits. As a host community we receive a host fee and we will be sharing in the revenues that are generated from that facility. We will be receiving lease payments and we will also be receiving tax payments on the facility that is built. Ultimately down the road we have projections that once single stream is implemented on a weekly basis that we could see recycling increasing up into the 60% category from the 10% or 12% that it is presently at right now. As you know for every ton of material that we don't have to landfill we are going to be saving at today's prices approximately \$65/ton. Again, I think that this position was instrumental in developing this long-term program for recycling and as I mentioned before our contracts for solid waste are administered by that position. Complaints that we get are processed through this position and this position does recommend initiatives to us and the Solid Waste Committee to make modifications to our program.

Alderman Roy stated just some brief follow-up. I believe on Monday or Tuesday you will be reporting the increase in recycling. Do you happen to have that number off the top of your head or with you?

Mr. Thomas responded no I don't.

Alderman Roy stated the numbers I have heard is almost double our 10%. We are up to about 24% or 25% now.

Mr. Thomas replied that is what I heard approximately two or three weeks ago.

Alderman Roy stated just so the Board is clear not listed or one of my questions is for Human Resources. Not listed is the enforcement position for solid waste that went through Solid Waste and then the HR Committee. Is that an approved position and should it be listed under vacant positions?

Ms. Lamberton responded if it was approved it would be on our report. I don't think it ever finished the full cycle.

Alderman Roy stated my understanding is that it was approved but not funded.

Mr. Thomas stated the way it was left is if we had any money in our FY06 operating budget after the winter we would look at bringing in a person for that. We don't have those surplus funds and there were no funds built into the FY07 budget.

Alderman Roy asked but the position itself made it through the process but there is no funding for it.

Mr. Thomas answered that is correct.

Alderman Lopez stated that is not true.

Alderman Roy asked can I get a clarification.

Alderman Lopez stated it is in the Committee on Bills and Second Reading.

Alderman Roy responded I wasn't reappointed to that Committee so I didn't see it. The question I would have and it is just a blanket statement to my colleagues is we are at a time now where we need to not only clean up the City through the Solid Waste Compliance Officer but getting our recycling going in the right direction. I adamantly feel that our Recycling Coordinator is a position that should be commended and not eliminated. That \$62,000 is very well spent for this City and will save us millions over the next 10 years. I feel that we should...instead of having that on a positions eliminated list should have it on an employee commendation list and that is my piece on that. As far as the Solid Waste Enforcement Officer, again we have problems throughout the City that are costing the taxpayers money but issues not being enforced and the Highway Department providing services over and above what they do for the normal constituent and we need that position filled to protect the future of our City. I would ask my colleagues to look seriously at our solid waste issues.

Alderman Shea asked Frank are you going to be returning any money to the City at the end of the budget year.

Mr. Thomas stated our budget even with the mild winter we will be coming in plus or minus \$1 or \$2.

Alderman Shea stated maybe my figures are off but your budget by the Mayor's figures here has increased \$1.3 million roughly.

Mr. Thomas responded that is correct. As I mentioned early on there were contractual obligations that the Board of Mayor and Aldermen committed to. One area is the solid waste contracts that we were just talking about. There was an increase in the operating cost of \$921,552 just for that one line item. Those are the recycling and yard waste contracts. We also had increased contractual obligations for transfer and disposal that we have no control over.

Alderman Shea stated the discussion is centered on the Traffic Department coming into your department and I assume that any obligations of a financial nature have been included in the Mayor's budget so that would not negatively impact your budget.

Mr. Thomas replied the budget that you see in front of you right now does not have any obligations whatsoever concerning the Traffic Department.

Alderman Shea stated I believe though that in their budget there is some money that would pay the employees that would be absorbed. Have you discussed this at all with the Mayor as far as the impact that that would have?

Mr. Thomas responded right now there is a budget for the Traffic Department and it is not included in the Highway Division budget. No, I have not talked to the Mayor regarding that subject. I believe that subject was in the Committee on Administration – the whole Traffic Department issue.

Alderman Shea stated I kind of want to follow-through. You have certain proposals here that would eliminate certain positions but you can change that dynamic if you so wish in terms of either reducing certain line items in your budget to come up with that particular position's salary and doing things of that nature. There is nothing that would offset you from having to do that is there?

Mr. Thomas replied I don't have any proposals to eliminate any positions at this time. What you see on this handout are the proposals by the Mayor. Those are the positions that he is eliminating.

Alderman Shea asked in other words this is the Mayor's suggestion that you do this. Is that correct? It is not yours?

Mr. Thomas answered that is correct. I am commenting on the Mayor's proposal. The Mayor proposed to eliminate the Recycling Coordinator's position and shift my purchasing agent into Central Purchasing and cut my salary line item.

Alderman Shea stated I didn't realize that. It said impact on operations but...

Mr. Thomas interjected that is the impact of the Mayor's budget on my operations.

Alderman Shea asked so basically this is his recommendation.

Mr. Thomas replied that is correct.

Alderman Thibault stated in view of the fact that I know that most Aldermen are after you constantly to repair streets or repave streets and so on, myself included, in the elimination if, in fact, this elimination of help happens how many streets are you going to be able to repave or refix or rebuild or whatever. Is there a correlation there that you should let the Board know of?

Mr. Thomas replied again my operation is very labor intensive and that is why I raised the issue with the Board and with the Mayor regarding his proposal. I don't know exactly how many positions I am going to be losing out of this budget because as you heard the Mayor state he has this \$1 million in salary adjustment, which he plans on utilizing to reauthorize the filling of positions that become vacant. However, again I am giving you the worst case scenario. If the worst case is that I have to come up with a \$480,000 reduction in my budget that is equivalent to approximately 16 employees if I lose those 16 employees on July 1. A loss of 16 employees or more employees is going to have a tremendous impact on my operation. Again, I need people when I am doing resurfacing work to haul in asphalt and do the raking and rolling and whatnot, not to mention all of the other functions that are going on. As I lose more and more people there is less and less opportunity that I am going to have to do new construction work – reconstruction or roadways, putting down new asphalt on resurfacing projects, etc. because I will have to focus on repairing those potholes, fixing those broken catch basins, picking up trash and those types of things.

Alderman Thibault stated that is exactly what I am concerned about. I guess what I am trying to get at here is how do you in fact budget for the asphalt you are going to need if you don't even know how many people you are going to have to lay that asphalt? I think one thing here lends to the other.

Mr. Thomas responded first of all you budget the amount of asphalt I get. This year there is approximately \$550,000 allocated for asphalt. Again we obviously try to carry on all of our duties and responsibilities but it becomes harder and harder as I have less and less people to accomplish the job.

Alderman Thibault replied that is exactly what I am trying to say. In other words if we allocate \$550,000 worth of asphalt but we only give you four people to lay it down, you may not be able to get it done.

Mr. Thomas stated that is a fact.

Alderman Lopez stated I guess what I am concerned with and I am glad that the Mayor gave a good explanation of the 4% but I am concerned with the \$1 million in salary adjustment and I will tell you why. I don't think we have used a salary adjustment line in our budget since 1996 and the Finance Officer can verify that. I

think what you have is you have a salary adjustment and in the past in discussions over the years since I have been here as an Alderman and when I wasn't an Alderman it became a slush fund. It became a slush fund for whoever speaks the loudest. I think the Mayor said earlier today that they were working on the Fleet Manager and Central Purchasing and they were going to issue all of those findings out to the Board or Committee or whatever the case may be. I think if we are going to cut vacant positions everybody ought to be treated the same. I don't believe that the \$1 million ought to stay in salary adjustment. I think we ought to make decisions. If we are going to have a Purchasing Division let HR come up with those numbers and we will put it in the budget if that is the will of the Board. If we are going to have a Fleet Manager let's do that. I think what happens here is that \$1 million is going to become like I said for whoever screams the loudest and whoever has the influence on one person. That influence should be on the entire Board. There should be a process going forward. For example, we put \$550,000 in contingency and in order to get money out of contingency you have to come before the Board with justification. If you go this route and put that \$1 million there that is not going to happen. I want to just stress that point. Let's be fair. If we are going to eliminate positions in this City we eliminate the position, give the department head his budget and move forward. If we are not going to eliminate positions, for example, the Library is going to have five positions eliminated and we decide it is going to be two then let's do that and make sure that the money is in there so it doesn't become a slush fund for one department over another department. I want to bring that point out. Thank you.

Alderman Osborne stated getting back to the \$550,000 that is earmarked from registrations right and has to go for repaving.

Mr. Thomas replied that is correct.

Alderman Osborne asked where does the money go if you don't have the bodies to do the work.

Mr. Thomas answered if we can't do it in-house with our people we would have to contract it out.

Alderman Osborne asked and that would cost more wouldn't it.

Mr. Thomas answered definitely. We only charge for the cost of asphalt right now.

Alderman Osborne asked what about the \$300,000 that was allocated last year out of CIP for repaving. Is that all spent to this point?

Mr. Thomas answered it will be spent by June 30.

Alderman O'Neil stated Frank we have approved this year money in CIP for projects that probably will be carried out later this summer and well into the next fiscal year as well as I believe there are projects in the FY07 budget and in both cases it is implied that the work will be done by the Highway Department in order to save money. We are actually getting a bang for our buck. Does reduction of staff have an impact on those projects getting done?

Mr. Thomas responded well certainly. As I mentioned the more staff I lose the less ability I will have to do a lot of this work. Again, as I have to cut back the areas I would looking at cutting back first would be street reconstruction and I would recommend going out to contract if we can't do that...

Alderman O'Neil interjected can I stop you there a second. I will bring up an example of a project that has been around for a little bit and I think we finally brought some closure to it and that is the greatly needed project at So. Maple and So. Willow and the cost is approximately \$80,000 in-house. Do we figure that at least doubles to contract it out?

Mr. Thomas replied yes. It is usually between two to two and a half times more expensive to do the work in the private sector.

Alderman O'Neil stated I know we have many of those throughout the City and if I recall even some of the Jobin Drive recently there was some discussion about maybe having those projects done in-house by Highway as opposed to contracting out. I think it is something we need to be cautious about and make sure they have the people to do these projects otherwise they are never going to get done because there is not enough money to do them.

Alderman DeVries stated we have had over the last few years and I think you have or I hope you have an active discussion going now with the Solid Waste Committee in reference to being consistent with the ordinance of trash pick-up throughout the City. Today there are some businesses that are picked up and others are not and have to provide their own trash pick-up. Because I hope that that discussion has become very earnest and that we are moving towards a consistent policy and I believe there are some revenues and/or cost savings to be recognized if we do eliminate that practice have you identified that so we can work with that number in the budget?

Mr. Thomas responded we haven't identified any type of savings in those areas yet. We are having those discussions. As a matter of fact there are some recommendations that are going to the Solid Waste Committee. If we implement

some of these recommendations over the next year I think there is a potential in next year's budget to either realize some savings or realize some revenues that we could be charging for services.

Alderman DeVries asked why aren't we trying to recognize some of those savings or revenues in this year's budget.

Mr. Thomas answered because quite frankly we don't know at this stage whether the Board of Mayor and Aldermen will be approving some of these recommendations that we are bringing forward. Some of them are going to be somewhat painful. Some of them are going to be somewhat controversial and I can't sit here right now and say to you that we are going to have all of these things implemented come July 1 or July 2. You really need a little bit of history to see what type of savings you are looking at.

Alderman DeVries stated a final comment if I might because I think this proposal is further along than many of the other proposed consolidations, assumptions or new positions. There has been more discussion about it and I assume the Committee is moving further along on that because when I chaired Solid Waste very briefly the discussions and started then so I would have to assume that they have moved along these are assumptions that are farther along than our Traffic Department consolidation and the new enterprise system that we are setting up. That is built into the budget.

Mr. Thomas responded there have been those discussions as you were saying. To quantify some of the savings I would be just pulling numbers out of the air and I don't think that would be fair to the Board to give you a number that is not realistic. Again, that is assuming that a lot of these measures are going to be implemented. I can think of one that is going to be very, very controversial if we stop collecting certain segments of the community.

Alderman DeVries replied I would counter that there are already many residential homes that pay full taxes that do not receive pick-up and there are many businesses that pay full taxes and don't receive pick-up so to me the policy needs to be consistent. We pick everybody up or we don't pick everybody up. It is another discussion and I have used my seven minutes.

Mr. Thomas stated or you have set guidelines that are approved by the elected officials – you.

Alderman Roy stated the Chairman is allowing me just a quick plug for the Solid Waste Committee. We are meeting at the beginning of this week. I believe it is Tuesday or Wednesday. What we have designed this meeting around is to

establish the customer base and bring the potential ordinances to the Solid Waste Committee and then to the full Board in May so that some of the savings could be incorporated into this budget. Frank is saying it politely but it is the 14 members of this Board and the Mayor's office that have to live with the decisions we make. Frank has been able to put numbers out there of savings and revenue increases but until they are approved by this Board we can't implement them and that is what we are trying to do next week.

Alderman DeVries stated one very quick reply on that because I want it to be clear. I am not talking about adopting a bag and tag.

Alderman Roy responded those words do not come up at our meetings. Bad words.

Alderman Duval stated I guess as a rookie I won't be proposing that IDIEA today either. I guess I will take that off of my list. Mr. Thomas the trash enforcement position that has been talked about and is sitting on the Committee that I chair, there was talk about it being removed from the table recently and we were asked to hold off until we got deep into the budget cycle and I guess we are here now. Is that position included in your FY07 budget? I guess my understanding is that it wasn't included in your FY07 proposed budget.

Mr. Thomas replied no it wasn't.

Alderman Duval asked is there a reason for that.

Mr. Thomas answered well first of all the budget process that we are going into I think it was made very, very clear that there weren't going to be a lot of frills. Quite frankly we tried to propose a budget that did not include any new positions, that didn't include any frills because there were contract obligations that we had to make as Alderman Shea mentioned that increased our budget quite a bit. Does that mean we don't believe in that position? We certainly do believe in that position. We feel that that position could have a tremendous impact on addressing the issues that we see throughout the City but again we knew that it was going to be a tight budget and we tried to be very honest and close to the line on it.

Alderman Duval stated the position is certainly worth consideration and as one Board member I would like to see what your budget would look like with that position added in it to be honest with. So if you could provide for me and I am sure other members of the Board who support that position...

Mr. Thomas interjected we would be glad to provide that information.

Alderman Duval stated I am in concurrence with Alderman Roy that I would like to see, before I would vote yes in support of that specific position, I would like to see a thought process that perhaps it could be self-sustaining by way of generating fees to actually fund that position and sit down and have a good earnest long conversation about what that position would entail. I certainly think there is a need in our community for such a position. I really do. Certainly for those wards that are faced with the demands of inner City life where we face certain challenges. There is a tremendous amount of absentee landlords that don't follow ordinances and so forth. I think there is a definite need for it. Moving on to street sweeping, Frank, you and I have had this conversation. From my perspective I do not think there is enough of it. I really don't. I think the City is lacking with respect to the frequency of street sweeping. I think that it leads to other problems that are expensive to fix. Storm drains that are plugged. Debris going down into our storm drain system because it wasn't swept timely and again perhaps it is because of the ward I represent but we have a lot of deteriorating sidewalk conditions and the debris is constant from areas that don't have sidewalks. Washout especially up in the Hanover Hill area. So in your proposed budget for FY07 did you factor in increased street sweeping services, either with a shortage of equipment because perhaps you don't have enough equipment or you don't have enough manpower to do more frequent street sweeping. Let me just finish. Around Central High School is one of the most unsightly, filthiest areas in our City. I think the conditions are deplorable in my opinion. Kevin, you get my calls. I feel bad for you but in sections of Ash Street and Walnut Street on either side of Central High School I just cannot believe a City of this size with what we have invested in other things that we can't find a way to more thoroughly and more efficiently sweep our City streets. It is unimaginable to me. They are filthy and neighbors have a legitimate right to complain that they are paying tax money and they don't see the street sweeper out there adequately enough to at least reflect a good condition of the neighborhood. I don't know if you can address that issue but was that thought of in the assembly of your budget for FY07.

Mr. Thomas responded no it wasn't. Street sweeping was an item that was bid against the private sector. There was basically an RFP developed. We bid those services against the private sector. The scope of work that was defined at that time was the entire City to be swept three times a year, Elm Street once a week and some of the other areas like the corporation housing area once a month. We do meet that obligation. We track that so that we can note when we are out sweeping a particular street. I do share your concerns, especially around the school areas. In some of the more urban areas where there is a lot of parking on the road it is difficult in some cases to get in there. One of the reasons why we had odd/even parking extending into the middle of May was so that we would have an opportunity to do some of that sweeping. Every year the odd/even parking gets removed early. It hasn't really worked that well anyway because there are cars on

both sides. Other municipalities, larger municipalities have postings on streets of when street sweeping will take place. Municipalities have wreckers at their disposal to pull the cars off the street to allow street sweeping to be done. We go out and post the street now with temporary no parking signs and cars are there anyway. It is a difficult problem but again we are only funded to a certain limit in regards to the equipment and personnel that we have to do the job. Obviously if you give me more equipment and more personnel I will be glad to sweep the streets more often.

Alderman Osborne stated saying with the same subject I guess Mr. Thomas answered a few of them but I think street sweeping is quite a thing over the years because like you said you can't get around all of these cars to do it. It is very difficult and you only have two sweepers now at present?

Mr. Thomas responded we have four sweepers all together. Three mechanical and one vacuum.

Alderman Osborne stated well I don't want to put it this way but if we could only put our thoughts into doing the private...not the private but the public areas like schools and so on and so forth and a lot of the landlords out there like myself who go out and sweep 50' in front of their house if we all did that and of course we have absentee landlords, which is the big problem because there is nobody to do theirs but if everybody chipped in a little bit I don't think we would need sweepers or we would need half the sweepers that we have. It just doesn't happen. Everybody relies on the sweeper to sweep the front of their home, which would only take them five or ten minutes.

Vice-Chairman Gatsas stated the elimination of the...well I guess the Recycling Coordinator's position the landfill burns how many cubic feet of methane.

Mr. Thomas responded that is a good question. I don't have an answer for you. If you are looking at the amount of revenue we generate up there it is about between \$35,000 and \$40,000 a year in revenue.

Vice-Chairman Gatsas asked and that revenue is generated how.

Mr. Thomas answered we collect the methane and it goes into some recycled engines that generate electricity that is sold to Public Service and we get a percentage of the revenues that are generated. It is a lease arrangement that we have with a private firm.

Vice-Chairman Gatsas stated I happen to have been reading that right now landfills that are generating methane have built methane conversion plants and are

selling the methane converted gas and you can't sell the methane gas because it is very combustible. Once you treat it it can heat plants and houses and buildings. You may find that...has anybody looked at that I guess is my first question.

Mr. Thomas replied we haven't looked at that proposal recently. Early on we did put out RFP's to have people come in and basically take over the use of our methane in a lease fashion and they could do whatever they wanted with it to generate revenue that would be shared with the City. Now at that time we did not get any proposals for that type of facility up there.

Vice-Chairman Gatsas responded that might have been because natural gas was at such a ridiculously low price.

Mr. Thomas replied correct. That is a good issue that you are bringing up and something we will look into.

Vice-Chairman Gatsas asked is there anyway...I am sure you can't do it in a day but somebody should be able to give you some sort of calculation with the number of cubic feet...I would assume that the Coordinator that is up there monitoring the wells and the amount that is being generated to the gentleman who is selling it for electricity I would assume we could get some sort of number to say yes this makes sense or not it doesn't make sense. My understanding is that it is a pretty good revenue source for communities.

Mr. Thomas answered we can look into that definitely. I would have to go back and check what kind of lease timeframe we have because we do have a commitment with the firm that is up there right now. I would have to check when that lease would expire and if there are any alternatives.

Vice-Chairman Gatsas responded I assume that lease and that whole thing came through this Board or was that something done by the Highway Commission.

Solicitor Clark stated it came through here.

Mr. Thomas responded the Mayor signed it so it had to come through here.

Alderman Duval stated just to follow-up with respect to another condition and again just to get your philosophy so we can have some guidance to plan a little bit for the future and it relates to the condition of City sidewalks. Again I think it is another essential service that Manchester residents assume they should be getting from what they pay in property taxes. I think that is fair and reasonable but the City overall...I think the overall condition of our sidewalks throughout the City again some of them are rather deplorable. In fact, I am going to begin to

photograph some of the conditions because I don't know if there is enough public awareness with regard to the conditions to be honest with you and I certainly would like to do what I can in a very small way to try to enhance that effort. In the FY07...well let me back up because I know some of it is with regard to CIP funding but your thought process moving forward with regard to sidewalks and the reconstruction of sidewalks is what...

Vice-Chairman Gatsas interjected I don't want to cut you short. You may want to ask his philosophy when we are out of the budget cycle but unless it is a pertinent question to a line item rather than a philosophy I don't have a problem with you continuing but I think we can delve into an awful lot of different matters here.

Alderman Duval stated you are right. That's true.

Mr. Thomas stated with your permission and I know you are probably running out of time but I would like to touch briefly on...

Vice-Chairman Gatsas interjected I am still on your line. I will take this back to where I used to go with the Fire Chief. I look at the overtime line. I look at that line item and say whatever the average wage and I don't know what it is...what is the average hourly wage at the Highway Department?

Mr. Thomas responded at the low end it is about \$30,000.

Vice-Chairman Gatsas asked hourly.

Mr. Thomas answered \$15 or \$16/hour.

Vice-Chairman Gatsas stated let's say it is \$15. So anything that is overtime is \$22.50. When you start looking at a 10% number of your salary line item being used in an overtime line item both in what you projected and what the Mayor has projected is a little over 10% there has to be some allocation in there of what makes sense. I said this to the Chief many years ago and it took him awhile before he decided that it made sense and his overtime number came down and he increased the complement of people and there was less expenditure. I guess I would say to you why wouldn't we be...instead of cutting positions because if you cut positions overtime has to go up to do the work if you have to do the work...

Mr. Thomas interjected the greatest part of the overtime number is directly related to snow removal operations. When we have an average snowstorm we are probably looking at \$100,000 to address that snowstorm. Probably the breakdown would be and that number would be made up of overtime and salt costs and overtime would be probably 40-45% of that \$100,000. The majority of that

overtime cost is snow related. If we don't use it, it goes back. I don't fill in when people are out sick or whatever with overtime. That overtime is to send the people out to work through the night to plow snow. The other part of that overtime number is we average approximately \$4,000 to \$5,000 a week for items when crews have to come in early to free a blocked sewer or come in on a weekend to do something. That number is maybe \$3,000 to \$5,000. Again I think the difference is when you are looking at the Fire Department the Fire Department uses their overtime to fill in for people who are out on vacations or sick. This overtime number that is in our budget is to provide those bodies to work those extra hours. Bringing on additional people and I agree with you usually when you are looking at overtime if it is to supplement something you would look at bringing on more bodies but again this is to take those bodies and just work them longer at night and on the weekend and this and that and having an extra body wouldn't reduce those costs.

Tim Clougherty, Chief Facilities Manager, stated the Committee members should have our budget summary included in their package. I have also provided some commentary based on the Mayor's budget and the corresponding impacts as well as the 3% reduction from our FY06 level and the corresponding impacts there. Just giving you some quick highlights of the Mayor's budget and what impacts that will have to us first of all we have an Accounting Specialist that is being transferred to a Lock Box service position. That is really the biggest concern from the Facilities perspective as far as our operations go. We process over 9,000 work orders a year. We take approximately 20,000 phone calls. We process over 6,000 purchase orders and invoices give or take in any given year. Quite frankly that is going to provide a real significant impact on our ability to just function day to day. Just getting work out the door and getting that complete. The second concern is the inability to fill the vacancy in our HVAC technician position. We have three technicians in that discipline to service all City and School buildings and obviously that would be an impact. It is mostly an impact because our contract work line item as well as our construction materials line item were both reduced. So that corresponds to a drop in service if you will. When we took a look at the 3% budget and we reviewed this with the Mayor yesterday, the bottom line numbers aren't very different. In speaking with him, while either scenario does provide an impact to facility services we feel that working with the Mayor from this point going forward and allowing the Facilities Division some latitude to work within the bottom line moving some monies within the line items that we can provide a very similar level of service and still meet both of our goals financially at the numbers that were presented. That is the pretty simple story as far as how our budget was put together and the different scenarios.

Mr. Thomas stated in a nutshell the bottom line number between the 3% cut and the Mayor's number are approximately the same. With some flexibility as Tim mentioned in reallocating some line items we can live within that bottom line.

Vice-Chairman Gatsas asked on either one of them.

Mr. Thomas answered yes.

Alderman O'Neil stated but if I understood right the difference is in the Mayor's recommendations there is no flexibility.

Mr. Clougherty responded after speaking with the Mayor he mentioned a willingness to sit down with us and allow us some flexibility in moving along those line items. I am not going to speak for him as to how much flexibility that is but I think that will be up to myself and Frank and Kevin to work with him in order to make that work.

Alderman O'Neil asked so that number is \$6.9 million correct.

Mr. Clougherty answered that is correct. The Mayor's recommended number is \$6.902 million and when we looked at the 3% cut from FY06 that number is \$6.940 million. So there is a difference of roughly \$38,000 there.

Alderman O'Neil stated you note on the column Mayor's Recommended there is a potential revenue shortfall of \$461,000 which does not exist under the 3% cut. Are you with me? It is on your cover sheet. Can you just explain that?

Mr. Clougherty responded our budget is comprised of a combination of services between City and School buildings. Between 80% and 85% of our budget is dedicated to Schools. Based on where we were in our recommended budget it was roughly 84% going to Schools. When we looked at the Mayor's budget the bottom line number was reduced but the projected revenues were the same. That is where we are identifying a potential revenue shortfall.

Alderman O'Neil stated I have one other question. You noted in your bullets a concern about maintenance levels from 88 cents to 67 cents a square foot. If maintaining the 3% cut budget does it stay at 88 cents a square foot?

Mr. Thomas responded no in both scenarios it drops down.

Alderman O'Neil stated there was also a reference in the handout from the School District and I don't know if you are aware of this but one of their items said reduce

building maintenance costs by \$200,000. Do you have any IDIEA what that reflects?

Mr. Clougherty replied yes I do. I have had conversations with Mr. Sanders since their budget roll out. We feel that with the 3% budget we can live within the parameters that the School District has defined. In other words, they are budgeting a number that is roughly \$5.9 million or between \$5.8 and \$5.9 million and that is exactly what our projected revenue is in the blue column with 3% less than FY06.

Alderman Roy stated I am slightly dismayed a little bit Tim and I am just going to make sure I understand things clearly. You are willing to accept the roughly \$6.9 million budget, let's say the 3% budget of \$6.94 million. That reduces the square foot maintenance to 67 cents per square foot for the property that you maintain and eliminates the positions in red that you are talking about or are you saying...

Mr. Clougherty interjected actually our proposal would be to not eliminate the positions in red. It would allow us to fill the HVAC Technician and retain our Accounting Specialist. In lieu of that, we would be reducing our special projects line item by \$384,000 from the FY06 level and we would also be providing a reduced level of custodial services at various schools.

Alderman Roy asked and the City Hall custodian would have to remain with the City Clerk's Office at the \$6.9 million budget.

Mr. Clougherty answered that is something that I think we could talk with the Mayor about because we are not talking about a huge number. You know the salary line item there is roughly \$30,000. I am sure we could work that out together. Just for correction under our plan and the way we would structure our line items the maintenance dollars per gross square foot would stay at 73 cents. So it goes down from 77 to 73 rather than going from 77 to 67. We would be taking a hit as far as maintenance goes but it wouldn't be nearly as exacerbated as if we were to lose those positions.

Mr. Thomas asked can I just jump in a minute. First of all, we are not happy on either one of these scenarios. We would like to maintain our dollars to maintain that 88 cents a square foot, however, we have two options. The Mayor's budget or the 3% budget. What we are saying is we could live with the bottom line...

Alderman Roy interjected I am going to stop you there for time Frank and I don't mean to be impolite but I look at it as our two options are pay now or pay later. When I hear that we are willing to reduce what is now 77 cents to 73 cents where it should be closer to \$1.50 or \$1.67 I from a fiscal standpoint know that

everything delayed today gets paid for by the taxpayer later on. We are seeing it with the \$105 million project. It should have cost us about \$40 million if we had done those preventive maintenance projects. I have concerns over the way we maintain our facilities and though I like to see that you are taking some aggressive steps with your budget and I thank Tim and Frank for that I have a concern about that per square foot cost. The private sector would not maintain their buildings the way we maintain our school facilities and we are just going to pay for it later. So to me the options are pay now or pay later and I would much rather pay a smaller amount today than pay the millions later.

Alderman Thibault stated I am concerned about this because I can just remember seven or eight years ago when we as a Board of Mayor and Aldermen all complained about the way our schools were being cleaned and taken care of. We went to Aramark at the time because we felt it was a better system and although I think it has improved some it is still in shambles. Our schools are not being cleaned compared to other schools. You go to other facilities in other states and the schools are spotless all of the time. They are like hospitals for God's sake and our schools...believe me they meet a very mediocre limit at that. I believe that this is something...again we are trying to cut another 3% or 4% out of it now and it is already not being done right. We are going to end up in the same place we were eight or ten years ago and have to go back to hiring our own people to clean our schools again. I think this is a very, very deep hole to get into one more time. I think that we should leave the cleaning level at the level that it is right now or maybe increase it by 3% or 4%.

Alderman Lopez stated so the \$6.940 million is the bottom number you are working with.

Mr. Clougherty responded that is correct.

Alderman Lopez asked the School District if they cut the maintenance down and the chargeback what effect does that have.

Mr. Clougherty answered from an aggregate perspective on the City side it is going to have an effect on the revenues because at the Mayor's projection, \$6.295 million would be the revenues. Given the cuts on both our budget as well as the School budget our anticipated revenues would be somewhere around the \$5.9 million range, which would create about a \$400,000 gap.

Alderman Lopez asked what do you do then.

Mr. Clougherty asked what do I do then. Well we don't have the \$400,000 to spend on schools so we are not going to be realizing those revenues. There is a revenue shortfall.

Alderman Lopez stated you mentioned the 3% reduction. It keeps all of your people number one, reduces special projects by \$384,000 and reduces custodian contracts...I thought we had an agreement with...what contracts are you going to eliminate for \$225,000?

Mr. Clougherty responded we would be reducing the FTE complement at various schools and that is allowed within our Aramark contract.

Alderman Lopez asked can you explain a little bit more about reducing.

Mr. Clougherty answered well right now we have a total complement that is defined for each of the locations. What we would do is work with the General Manager of Aramark in order to reduce that complement in order to accommodate that \$225,000 in savings.

Alderman Lopez asked so we will end up with dirty schools again.

Mr. Clougherty answered I don't believe that will be the case.

Alderman Lopez asked what are special projects.

Mr. Clougherty answered there were a number of special projects that were in our FY06 budget that had to do with an increased level of maintenance and things such as replacing water heaters and exterior lighting and upgrading some of our burners and things like that. We accommodated that in FY06 and that is correspondingly why we are able to reduce that amount in the 3% budget.

Alderman Lopez asked are you telling me that you accomplished all of those things in the FY06 budget then.

Mr. Clougherty answered yes.

Alderman Lopez asked so there will be no special projects for the FY07 budget that you need to do.

Mr. Clougherty answered we have reduced it to the \$352,000 level in the FY07 budget. We have gone from \$736,000 to \$352,000. We have significantly reduced the number.

Alderman Lopez asked when you said follow-up with the Mayor the number is what it is here. What do you mean follow-up with the Mayor? Is he going to give you more money?

Mr. Clougherty answered no. I don't believe that to be the case. We like to think that if we got to the \$6.940 million level we would be able to accommodate the City Hall maintenance position. I think the Mayor's concerns for the budget are both short-term as well as long-term in addition of positions. Just like Frank is talking about working with the Mayor on vacancies and things like that, we would be talking with the Mayor about filling the vacancy we have in our HVAC Technician position.

Alderman Lopez asked the Mayor gave you \$6.902 million.

Mr. Clougherty answered that is correct.

Vice-Chairman Gatsas stated just so I get a clarification if we go back to the School budget and I think Alderman Lopez on 8 of 9 they showed us \$6,104,000 and I think that is what you have plugged into your request number for the final approved modification by Schools.

Mr. Clougherty responded that was based on their \$148 million budget.

Vice-Chairman Gatsas replied right and what I am saying is and I think you were here for the discussion that we had we ended up going back in and we didn't touch anything. We built their budget at \$143 million and didn't move any of their numbers other than \$1.1 million for what they were going to turn back and \$1.7 million for debt service and \$1.25 million in the LOA account and that got us to \$143 million. So nothing has been changed in their maintenance budget. Again, we can't control here what they move.

Mr. Thomas stated I believe what you are saying is based on your formula there hasn't been a reduction in the maintenance area so then quite frankly this budget should be able to be increased by \$200,000 to restore some of the additional cuts.

Vice-Chairman Gatsas responded that is all I am saying. I am saying that what we heard this morning and I don't want you to for one second think that just because we built on the back of an envelope a number that showed them how they could get to the \$143 million number that doesn't mean that you are going to get \$6.1 million. They may give you \$4.8 million.

Mr. Thomas stated that is correct. That has happened in the past.

Vice-Chairman Gatsas stated my next question is can we make this an ordinance that puts it in like MCTV that is dedicated to the maintenance of schools as it is with Food & Nutrition so we know that is where it is going to go. Do we have that ability? I guess the Solicitor is here and that is the question I have. We started that this morning and if we have to build a bunch of little pockets so that we, as Aldermen, understand where the money is going to make sure that the budgets on this side aren't affected then maybe that is what we need to do. Do you know where I am going Tom?

Solicitor Clark responded I would be happy to look at it. I am not sure that you do have that ability. Even by ordinance the Charter gives them the bottom line.

Vice-Chairman Gatsas asked is Food & Nutrition in the Charter. I don't remember reading it.

Solicitor Clark answered no but I believe that was specifically addressed in the court case.

Vice-Chairman Gatsas asked so what you are saying is if for some reason the voters of this community wanted to make this a department by vote of the taxpayers of this City...well not only the taxpayers but those people who aren't paying taxes then we could do this. Right now we give them a bottom line and there is no guarantee on the number of \$6.1 million or \$4.8 million and we have no control over that.

Solicitor Clark answered it would depend on how you amended your Charter.

Vice-Chairman Gatsas asked can you look at it to see if there is an RSA that allows us to do this and can you do it soon because we are in session for another two weeks if you need help.

Solicitor Clark answered we will look at it.

Alderman Shea stated one of the concerns that as an ex-school principal I have always expressed was the maintenance factor. In fact, I wouldn't be sitting here today if the school was in good condition in Hallsville school when I was ready to leave. Because it was in such deplorable condition that caused me to go home and my wife said to me well if you don't think you can do anything run for office so that is what I did. I very rarely ran for anything but breakfast, dinner and supper up until then. However, that being said Alderman Thibault said something very important because the first thing that suffers in a school is the custodial services unless they are properly supervised, that is the workers, and unless there are materials that they have available to them in order to do the cleaning. Whether

you have a house of your own and men and women who maintain their homes know how important it is to maintain these homes and we have put in a tremendous amount of money into schools and obviously if the right kind of maintenance, supervision and other materials aren't provided for the people who do the work and particularly supervision, they are going to back to where they were in a short period of time. That is when you have the other side showing up in our society that we see on the outside of buildings – the graffiti and lack of toilets being maintained properly and then it goes into the classrooms and gyms and so forth. That is very, very important and I am sure they are trying in the maintenance area of our schools but I think that can't be stressed enough.

Mr. Thomas replied again we totally agree with you. As I mentioned before we would prefer to see the budget adopted that we requested for the Facilities operation. However, we have two that we are commenting on today. The Mayor's budget and the 3% budget cut. We can live with that number, however, the Board of Mayor and Aldermen have to realize that has an impact and that impact is a reduced level of maintenance provided in the facilities from the 88 cents down to whatever the number is that is on that handout.

Alderman Shea asked can you breakdown a little bit of how that works. In other words by way of prioritizing thing. Let me give you a typical example. One time last year I went over to Hallsville School and the teacher said Mr. Shea in the restroom here and I don't want to publicly state it but it just doesn't work and we called a week or so ago for service. I don't try to pull my rank too often but I got on the phone and said the teachers have a very serious problem here. They said well it has been two weeks and maybe we can get somebody up there. Well it didn't take long for someone to get up there simply because I happened to make the call. If I was coming off the street making the call it probably wouldn't have gotten any attention. What I am trying to say is how much devotion is there really given? In other words the process as I understand it is somebody calls it to the attention of somebody at the School Department and the School Department then calls the Maintenance Department who then assigns a work order for someone to go to a particular school. Is that how the scenario works so the general public and people listening can understand how this process is being worked?

Mr. Thomas answered it is a work order system that does funnel the work orders as we must mentioned. It goes through School Administration down to our Facilities Division. A work order is cut and then based on available staff or monies for contracting whatever the repair is it gets addressed. There has to be a logical path to follow so that we don't have every teacher calling the Facilities Division every time something needs to be repaired. Again, there are priorities that have been established in facilities but it is done through a work order system.

Alderman Shea asked how much money is there available and is there enough money available for these kinds of things that are called into the Facilities Division or do you people find that you don't have enough money and it runs short.

Mr. Thomas answered it is like I had mentioned for the Highway Division budget. When you cut back and you cut back on personnel resources or dollar resources it is going to have an impact on services. Quite frankly a work order request may take longer with this budget compared to one that we requested because we would have maybe more capabilities in contracting with outside vendors if we don't have enough in-house staff.

Alderman Thibault asked Tim could you send to the Aldermen exactly what level of service will come down in all of our City or School buildings so they will know exactly the level of cleaning in the schools as it is presently and if it will go up, down or stay where it is. Could you send us a note on that so everyone will know exactly what is going to happen?

Mr. Clougherty answered I can send you a subjective write-up. I just want to make sure that everybody understands that the budget as Frank said we are recommending \$7.8 million and we would be perfectly happy at that level obviously. When we are saying that we can deal with the \$6.9 million level that strikes a balance between maintenance and custodial and other services that we provide. That is all we are trying to say. The services will be reduced and we are trying to minimize that impact as best we can given the resources we are looking at.

Alderman Thibault asked can you give us an IDIEA of let's say if we are at the 80% level now it is going to 65% or 70% or if it is going to 90%.

Mr. Thomas answered if you are talking about custodial services you hit the right percent. Actually the percent based on surveys of the principals and teachers is it runs about 80% to 85%. I don't see a significant drop in those surveys for the cleanliness in the schools. Some of the cuts in the custodial areas were additions that we are making adding part-time employees in some of the middle schools. We were trying to improve the level of service. I think Aramark provides a good management team now and good field people. Yes there are going to be some hardships because there are some additional square footage and whatnot but I don't believe you are going to see a tremendous drop in service. However, having said that we would like to keep raising the bar and that is what we think the budget we requested would have done.

Vice-Chairman Gatsas stated so if we use that number what you are showing me in the blue ink column because that is what I am using as the 3% is \$5,856,576. The difference between those two numbers is \$248,355. If I take that number and I add it back in to your number for maintenance, which is \$2,008,444 that comes up with \$2,256,799, which is about \$174,000 difference from your 88 cents that you were requesting in your original requested budget. So we are getting very close to the number you requested. We are \$175,000 away from a number that you have in there.

Mr. Clougherty stated and you just increased my bottom line by that \$256,000.

Vice-Chairman Gatsas responded \$248,000. I just moved it in and said...and again I can only base it on the numbers that the School District is saying the way we built their budget on their clean white sheet of paper.

Mr. Clougherty asked does that \$6.940 million go to \$7.180 million. The organizational total number, the \$6.940 million does that go to \$7.180 million?

Vice-Chairman Gatsas answered I didn't go there. I just did underneath it and you can take it up to wherever you want.

Mr. Clougherty stated the problem with that is the School District has told us that the most they are going to pay for our services is \$5.9 million so I don't think we can assume that we can spend that \$6.1 million. That \$240,000 or whatever that is...

Vice-Chairman Gatsas interjected the \$5.9 million is based on the \$148 million.

Mr. Clougherty responded no. The \$5.9 million is based on the \$6.940 million. It is based on the \$143 million School budget.

Vice-Chairman Gatsas stated again and that is why I am saying it doesn't matter even if we give you...even if we gave the School District \$148 million they are going to end up saying they are going to give you \$5.5 million. We don't have control over that.

Mr. Clougherty responded right that is speculation.

Vice-Chairman Gatsas asked so I don't know how we as a Board try to run this department and allocate them their funding when almost 100% of their money is coming somewhere else and they have the choice to say I am only giving you \$4 million do what you need to do. I don't know how we do that.

Alderman Lopez stated the only answer to that question is when they presented the budget to us and they put the numbers in there and if we turn around and give them less those numbers then they are going to actually take numbers from everybody in order to accomplish theirs. If they have to put more money in the classroom and let maintenance go to Timbuktu who cares? They are going to have somebody in the classroom and then it is going to cost the City more money.

Vice-Chairman Gatsas stated I can only remind you I don't know what the exact vote was but there was either \$1 million or \$2 million that was added into the budget for maintenance. I want to say it was either four or five years ago. I know I voted against it because I said it is a bottom line and once you give them the money you can't control it and none of the money went to maintenance. Am I right, Tim?

Mr. Thomas replied that is correct. I am not sure if Tim was here but I remember. It was for painters and what not.

Vice-Chairman Gatsas stated right and the money never went there. So all we are dealing with is a bottom line number and I guess we need to start looking at how do we control some of those costs by allocation.

Alderman Lopez stated Tim's salary I think is calculated in that too. What is the percentage? 84%?

Mr. Clougherty responded probably about 50% of my time is charged back.

Alderman Lopez stated so if the School District says we don't need you 50% of the time who is going to pick up your salary.

Mr. Clougherty responded I am still budgeted for it on the City side.

Vice-Chairman Gatsas stated Alderman that is why when you try and do this and you try to do it in a harmonious way to say okay everybody is trying to work for the best interest of all of the taxpayers in the City and the School District there is a \$6 million number that when you look at it you don't control it. You assume it because we are paying for the services but if we don't get paid on the chargeback side I mean we have a very difficult time with that.

Alderman Lopez replied absolutely and I just want to make sure we are comparing apples to apples. I think Mr. Thomas wanted to say something. Did you want to say something about that 50%?

Mr. Thomas stated I did want to make this statement. Over the last couple of years the numbers that they gave us in advance as part of the budget process they have lived with.

Mr. Clougherty responded I just want to reemphasize what Frank is saying. We have enjoyed a good relationship with the new School administration if you will – Mr. Sanders and Dr. Ludwell over the past couple of years. At this stage of the game we have worked with them and they have worked with us in order to develop what they see as being our bottom line and what we see as being a projected revenue.

Vice-Chairman Gatsas stated then I don't have a problem with that and that is fine but I would assume that after what we did with the \$143 million if that what this Board is looking to do and the allocation is there in how we built that number then I would assume that they would look at the \$6.1 million and if it is the \$6.1 million then the \$250,000 you can move up and it would get you just about a whole position.

Mr. Thomas stated I think if they agree with your philosophy that you defined then yes there is that potential.

Alderman Roy stated moving away from building maintenance and back to Public Works, for a long time it has been a discussion at least since I have been a member of this Board about a Public Works facility and hopefully some of that conversation will come up at Alderman Garrity's CIP meeting this coming week. Frank when you look at your budget potentially what type of savings could be realized with a new facility as far as worker's compensation, salaries, etc.?

Mr. Thomas responded you can go up and down the line just on energy related issues. A new facility would have new energy efficient heating systems and windows, lighting, etc. As far as our maintenance area or our garage area we don't have any lifts. People have to work off the floor with jacks. When a truck comes in in the middle of the winter there is water all over the floor and you have to lay on the ground on a dolly underneath to work on that piece of equipment. Obviously you are not getting the type of production that you should be getting. Obviously you are opening your employees to more dangerous situations. A new facility...again your efficiencies would just go through the roof and obviously that relates to a dollar savings.

Alderman Roy stated I just want to get that on the record as we look at thinking outside the box. I think we truly should think outside the box. You sit on a very valuable piece of land over on Valley Street as well as the Water Works next door

to you and I think we should definitely be looking for a facility and those efficiencies.

Mr. Thomas asked can I just mention one other area before you throw me out of there. There is an area of some concern that I have and that is the elimination of the Chief Negotiator. As you all know we are going into negotiations...

Vice-Chairman Gatsas interjected is that in your department.

Mr. Thomas stated no but unfortunately I usually get involved with negotiations.

Vice-Chairman Gatsas stated you can come back and talk to us in the department that it is in.

Mr. Thomas replied okay.

Vice-Chairman Gatsas stated I have a question. EPD is an enterprise fund right.

Mr. Thomas responded that is correct.

Vice-Chairman Gatsas asked can we put it in the general fund.

Mr. Thomas answered no you can't. The revenues that are generated are through user fees and those user fees have to be utilized for a specific use. They have to be sewer related.

Vice-Chairman Gatsas asked so you are telling me that if we collect fees from anybody it doesn't matter where they are at – Gill Stadium or EPD, those funds need to be used for that source.

Mr. Thomas answered well the sewer fees...

Vice-Chairman Gatsas interjected I am just trying to make sure we have apples with apples.

Mr. Thomas responded I am not sure about the other enterprise funds but the sewer fees that are generated for a specific use.

Alderman O'Neil asked Tim did you mention that based on the \$6.9 million number that you were carrying the Facilities position in that number.

Mr. Clougherty answered at the \$6.940 million number. We come up about \$30,000 short in the \$6.902 million number.

Vice-Chairman Gatsas asked you are working on the 3% now, which is the \$6.940 million.

Mr. Clougherty answered correct but that is not what the Mayor recommended. If that is the number we are given to live with – the \$6.940 million we could accommodate those two positions.

Vice-Chairman Gatsas called for a five-minute recess.

Vice-Chairman Gatsas called the meeting back to order.

d) Police Department

John Jaskolka, Police Chief, stated on behalf of the men and women of the Police Department I want to thank you all for taking your time on this Saturday afternoon to allow us to present some of our budget concerns. Public Safety as we all...

Vice-Chairman Gatsas interjected I don't think you were here and just so that somebody can write it down because I still haven't got a response was about the \$8 million of inoperability of radios because I remember that Chief Driscoll had come before us for that money that was federal dollars and for some reason we never took them. I will let you continue but I just want a response because I haven't seen one in writing from anyone.

Chief Jaskolka replied we can respond to that.

Vice-Chairman Gatsas stated do it in writing.

Gary Simmons, Deputy Police Chief stated I can do that. In fact we had it ready for you the other night and it didn't come up in the meeting so we held off on it.

Chief Jaskolka stated public safety needs to be and should be a primary concern for any major city as ours is. This Board and previous Boards have done an exceptional job of bringing new residents and business into the City of Manchester and as the size of the City continues to rise so should the complement and resources of the public safety divisions. The Manchester Police Department, through our mission statement, is committed to providing the highest level of public safety to our citizens of Manchester as well as we can with the possible availability of personnel and resources. I had hoped to give you a Powerpoint presentation. I will try to go over some of the slides that I feel are important and

we have also provided the Board at the request of Chairman Gatsas some of our numbers. What I will get into first is some of our primary and public safety needs. Our number one safety need as it always has been is at a minimum maintain our current complement in order to provide a continued high level of service to the community. Calls for service over the last two years have averaged 103,294. As I said before approximately 1/3 or a little bit more of these calls mandate at least the response of two units, sometimes three and sometimes four. Some of the clubs up to nine or two units, which brings the minimum number of responses where we actually send a police officer to a call to 142,546 and that is a two unit response call. During the past five weeks the average calls for service have been 264 per day. Not that many years ago that was summertime response and we are still talking about March and April. Last summer there were several days or weeks where we averaged well over 300 calls for service a day. The second public safety need is an increase in our complement. I know the Mayor has indicated that he would like to increase our department at this point by six more officers. Looking at the national average that the FBI puts out of 2.3 officers per 1,000 we stand here in Manchester at 1.8 and that is an average that I have taken using our current complement of 209. If we look at saying that our population is 100,000 that brings us to 1.9. If we look at a population of 120,000 it brings us to 1.7. We are somewhere in between so we use the average of 1.8. With the addition of six police officers bringing the complement to 215 at the 110,000 population that is 1.95 per 1,000 and 1.79 with 120,000 population, which brings us down to less than where we are now but it is a step in the right direction. There is a cost associated with increasing the complement of police officers like new uniforms and so forth so the total cost for six additional police officers...

Alderman Lopez interjected are we following something here.

Chief Jaskolka stated it was going to be a Powerpoint presentation. I can get you a copy of this if you would like. \$237,499 is the salary and \$90,000 for benefits. \$43, 200 in uniforms, vests, equipment and radios for a total cost for the six police officers of \$370,699. Currently after the last testing process I have between 11 and 13 potential candidates in the background process. These are the candidates who have been identified as the people who passed the test as being the outstanding candidates and the next step in the process after we complete the background investigation are the medicals and physicals they have to go through. Those are a cost of approximately \$1,000 each. What I would be looking for is some direction from the Board as to whether or not I should continue in this process with these police officers. The other concern is overtime. The salaries have obviously increased over the years which in turn causes an increase in overtime rates. Some numbers that drive our overtime – 42% of our overtime expended is for court appearances. We do save several thousand dollars over the year in that we do summons mediation as well as plea bargaining to the point

where this year to date we have either done summons mediation or plea bargaining in 578 cases. If we were to figure that out at an average officer's cost going to court it comes out to approximately a \$230,000 savings for the year. We continue to do that and save in that area but still 42% of our overtime budget goes to court appearances. 10% of that overtime budget is still paid out to traffic details at the civic center. Year-to-date that is approximately \$70,000. 7% of our overtime costs goes to mandatory departmental training. Next year we have to add another mandatory training as far as biospace profiling and the following year there will be two more mandatory department wide trainings and those usually cost us in the vicinity of \$25,000. 6% of the overtime budget is expended for major criminal investigations and just in the ones that we tracked this year alone – homicides and major crimes, that came to \$45,000 and another 10% is expended to cover shifts due to vacancies, vacations and military activations. We had three officers that were in the military for this entire budget year. We expect those back and we certainly hope that we have no more officers going away for extended periods of time. Some officer safety concerns we have and other concerns as the budget goes is uniforms and equipment. Obviously as with everything there is an increased cost with uniforms and equipment. We do recycle as much of the equipment as possible unless it becomes a safety issue such as beanie belts and holsters and handcuff cases that start breaking down and no longer perform their function. Additional officers will cost more in uniforms. We are currently looking at bullet resistant vests. We currently have 83 of those vests that are beyond the five year replacement plan that is recommended by the manufacturer so we are putting vests on a lot of these officers who are going to expect these vests to perform and they may or may not do that. A small portion of the vest money...I believe we have about \$71 out of the \$512 cost that we can recoup through the U.S. Department of Justice. We have had conversations with the Mayor in regards to this and have identified this as an important issue that needs to be looked into. Another officer safety concern that we have are the current portable radios that we have – mics and chargers. The manufacturers recommended expectancy on police radios because of their use is five years. The majority of the portable radios that we have right now are 10 years old. They are currently obsolete. We can't buy the radio we have right now and it is only a matter of time before we are not going to be able to get parts. As we replace these radios we are replacing them with the newer model. Current cost for the full equipped radio to include radio, battery, antenna, caller mic, belt clips and leather duty holder is approximately \$2,700 per radio. As always our concern and this Board has always worked with us in the past is our unmarked police vehicles. The vehicles on average are putting about 52,000 miles a year in their 24-hour use. In the sake of officer safety these vehicles need to be viewed as consumables and should be replaced on a regular rotating basis. Any car in excess of 100,000 miles for police work is a borderline safety issue for the police officers. Just getting back to the radios unfortunately what happens with the radio is the officer gets in trouble and wants to call, he pushes the button and if

the radio is not going to work that is when it is not going to work and he is not going to be able to reach out to get assistance. Getting back to vehicle repairs some interesting figures that I don't think most people realize is we replace brakes on all of our marked cruisers five times a year at a cost of \$250 per car with an estimated cost of \$40,000. We do front-end alignments, ball joints, tire rods, struts and shocks. Another interesting figure is the 3,000 mile service that most of us do every three months we do every three weeks on the cruisers. That is your oil, lube and filters that again most of us do on a three-month period. We do that every three weeks. Finally if we look at vehicle repairs in FY03 and FY04 when the vehicles weren't being replaced we were looking at a cost of \$151,000 in FY03 and \$164,000 in FY04. FY05 was \$117,000 when we started replacing some of the vehicles and this years projected is approximately \$117,000. I would now open it to any questions.

Alderman Roy stated Chief we have had a lot of conversations about manpower and you started off your comments discussing strictly patrol officers and the new hires. As it stands now, what is your approved complement?

Chief Jaskolka responded it is currently 209 police officers.

Alderman Roy asked and the six proposed new ones.

Chief Jaskolka answered would bring that to 215.

Alderman Roy asked and that is set to take place July 1.

Chief Jaskolka answered yes.

Alderman Roy asked of the 215 since we are talking about FY07 how many of those do you have candidates for. Could you be at full complement come July 1?

Chief Jaskolka answered right now we have between 11 and 13 in the background process depending on the day and how things work out that day with the background investigations but if everything is approved we could conceivably...what we would be with the anticipated two more retirements prior to the end of this fiscal year we would need 13 and that is why we are looking at 11 to 13 people. We could conceivably be at that number yes.

Alderman Roy asked and that is if the two retirees happen and everyone makes it through the background check.

Chief Jaskolka answered that is correct.

Alderman Roy asked if you were to have that 215 as of July 1 with training at the state and then field training when are they in a patrol car by themselves.

Chief Jaskolka answered two of them that we are looking at are Certified 1 from another state. One locally. They could conceivably be, depending on when the law packages for the out-of-state officer could be in a cruiser five to eight weeks after that. The average non-certified or what I call a raw rookie takes approximately six months to get them through the in-house training, the police academy and the field training officer program.

Alderman Roy asked so I am clear with this the 11 that you are calling raw rookies would not be out on their own able to perform duties until December of FY07.

Chief Jaskolka answered that is correct yes.

Alderman Roy stated I have a number of questions for you but I will yield back to the Committee. The comment I would like to make is that as we go forward I would like my colleagues to look at some ordinance some way over the next couple of years that we tie our police service to our population so that our public safety is not always a budget item but just a practical number of inputting it into the budget. That being said, I will yield to the Committee.

Alderman O'Neil stated Chief you expect a minimum severance of \$200,000 in next year, which you don't believe is currently in your budget. Is that correct?

Chief Jaskolka responded that is correct. We are not budgeted for severance. That comes out of the salary line.

Alderman O'Neil asked and what about shortage in overtime. What is the dollar amount?

Chief Jaskolka answered the shortage on the Mayor's budget would be approximately \$71,000.

Alderman O'Neil asked how about regarding...let's stay away from the six new positions for the moment but how about regarding if you were able to have a full complement of 209. Is there a shortage that exists?

Chief Jaskolka answered the numbers that we submitted as far as what our request was or what our input was for full complement was 209 officers.

Alderman O'Neil asked in the Mayor's budget is there a shortage and what is that number.

Chief Jaskolka answered we are looking at two different things here in the paperwork I gave you. If we look at the FY07 input the shortage would be \$401,899 with the PCO's. Should they go to the enterprise system we would be looking at \$258,362.

Alderman O'Neil asked so we can call it \$260,000 to round it off.

Chief Jaskolka answered yes.

Alderman O'Neil stated so that leaves about \$530,000 short if you were able to have a full complement.

Chief Jaskolka responded with salary and severance yes.

Alderman O'Neil stated I understand in conversation with you that even though the people in the academy might not be ready until August sometime you are going to have to bring them in as close to July 1 as possible. Is that my understanding?

Chief Jaskolka replied our tentative hire date right now is July 10 I believe.

Alderman O'Neil asked so there isn't any opportunity for us to even save a month of salaries with those positions.

Chief Jaskolka answered the only way that would happen is if we hire them just prior to the academy, gave them no in-house training and brought them back. It wouldn't save on the long run as far as getting the training and getting them out on the street. It is still going to be a six-month period. Again, we have identified these as our top candidates. If we don't take them somebody else will. Obviously if they get through our process, which is probably one of the more difficult in the state then someone else is going to pick them up rather quickly.

Alderman O'Neil asked regarding the new positions you have identified the salary cost of approximately \$238,000 plus another \$90,000 in benefits plus approximately \$43,000 in uniforms and equipment. Is that correct?

Chief Jaskolka answered yes that is correct.

Alderman O'Neil asked does that...right now it appears we are off about \$900,000 to have not only a full complement but plus the six.

Chief Jaskolka answered that is the approximate number Alderman.

Alderman Shea stated I was wondering as you go along in your budget this year are you going to be able to return anything to the general fund.

Chief Jaskolka responded I believe we may have some money left in salary due to the three officers that were not with us for the entire year and out on military leave. As far as expenses and benefits, no.

Alderman Shea asked will you default on those areas or will you be able to make it.

Chief Jaskolka answered the benefit package as it...we don't control these numbers. We are given these numbers and we are probably looking at a \$345,000 deficit in benefits.

Alderman Shea stated the other things is and I want to quote actually from the Police Commission regular meeting on April 5. Deputy Simmons was quoted as saying "we anticipate the hire of six recruits, however, by June there may be as many as 14 openings to fill." Could you respond to that?

Deputy Chief Simmons responded that would be the six new positions and we have four vacancies right now. Just recently we received another retirement and we anticipate probably two more by the end of the fiscal year. That would actually bring us to 13 at this point. We thought about another one but it looks like that one is going to be put off for a while so between the six new ones and the anticipated three additional that will bring us to thirteen vacancies.

Alderman Shea stated and the Deputy Chief retired yesterday.

Deputy Chief Simmons replied that is correct and that hasn't been included.

Alderman Shea asked is that part of the number.

Deputy Chief Simmons answered if that goes through it would add an additional and bring us to the 14 vacancies.

Alderman Shea asked so if somebody were to move up in the department, which we hope they would then that would create a vacancy at the lower level.

Deputy Chief Simmons answered that is correct.

Alderman Lopez stated this first document is a little confusing to me. Looking at the document that you gave us \$23,758,740 FY07 input versus the Mayor's budget are we saying that in order for you to have a full complement with no 3%

reduction and the hiring of the six new police officers it would be \$23.758 million?

Chief Jaskolka responded that does not include the six new officers.

Alderman Lopez stated you indicate somewhere along the line of six new positions at \$237,499. Does that include benefits?

Chief Jaskolka responded no it does not. That is just salary.

Alderman Lopez stated so we would have to add approximately \$80,000 or \$81,000 or somewhere around there for that so you would need \$300,000 let's say on top of \$23,758,740 is that correct.

Alderman O'Neil responded they gave me a number of \$371,000 for an earlier discussion. Salaries are \$237,499, benefits are \$90,000 and \$43,000 for uniforms and equipment.

Chief Jaskolka stated it is part of that handout regarding the six additional officers.

Alderman Lopez replied I do have that but I am trying to work off the budget that I just received. This one. That is your Powerpoint and what I am saying is the difference between the FY06 and FY07 is \$23,758,740. Is that correct?

Chief Jaskolka stated that is not the difference. That is the input budget.

Alderman Lopez asked that is what you need.

Chief Jaskolka answered yes.

Alderman Lopez asked does that take care of the full complement and the bulletproof jackets and all of that.

Chief Jaskolka answered no I don't believe the bulletproof vests were put in there. That is a 100% complement. It does not include the additional items like radios or bullet resistant vests.

Alderman Lopez stated let's say I add to this...what did you say Alderman O'Neil.

Alderman O'Neil replied \$371,000 if we add everything together.

Alderman Lopez stated so another \$371,000 would take care of your six police officers and the new jackets is that correct.

Chief Jaskolka responded the six police officers, uniforms, vests, weapon and radio.

Alderman Lopez asked with the \$371,000 added to the \$23 million.

Chief Jaskolka answered yes.

Alderman Lopez stated so you are talking over \$24 million.

Chief Jaskolka replied with the additional I believe that is a good figure.

Alderman Lopez stated safety seems to be the biggest thing these days in neighborhoods and everything else. I just wanted to get a clear number. I am sure you have been bothered with a lot of numbers as we have. I didn't want to get confused with this document here. So I am going to add \$371,000 to your \$23,758,000 for my purposes and we will go from there.

Alderman Roy asked the \$23,758,740, which is in your Powerpoint and was your departmental request, did that include the \$42,000 in new vests.

Chief Jaskolka answered no it doesn't.

Alderman Roy asked so if we were to give you the six new officers it would be \$371,000 and you would need an additional \$42,000 for the new vests.

Alderman Lopez stated no that is the same question I asked Alderman O'Neil and that is included in the \$371,000.

Alderman O'Neil stated no the vests are included for the new police officers but there is also a separate request they have to replace vests throughout the department.

Alderman Roy replied right. The \$371,000 included vests for the six police officers that were new. The 83 vests that the department needs are an additional \$42,000 correct?

Chief Jaskolka stated the vests are approximately \$42,000. We did ask for an increase in uniform allowance and part of that would go towards the vests.

Alderman Roy asked how much in part.

Chief Jaskolka answered about 75%.

Alderman Roy stated so you would need 25% of the \$42,000 added to your budget to accomplish the 83 new vests.

Chief Jaskolka answered yes.

Alderman Roy stated so roughly an additional \$10,500 added to the \$23,758,740 and adding in the six officers at \$371,000. That would give you the vests, six officers, full complement and your full departmental request.

Chief Jaskolka responded yes I believe that is a good number.

Alderman Lopez stated take your time and make sure you are giving us good numbers.

Chief Jaskolka replied the uniform allowance that we submitted for the vests or our request for the vests was \$30,000.

Mayor Guinta stated I didn't catch the first five or ten minutes of your presentation Chief but I suspect it probably focused on the salary line item so I will just give a quick run through because I think the two areas we are focusing on, salary and equipment, are two areas I think I can fairly easily address. Let me start with the uniform line first. FY06 was \$70,000. The FY07 request from the Chief was \$130,000. I believe I funded it at \$96,700. \$3,300 of that was related to the PCO's. That has actually been moved to the enterprise. If that doesn't happen, that comes back into that equipment line item. The 83 vests that we need for roughly \$43,000, I tried to address that and I talked to the Chief about this when we met earlier in the week, my hope was that in FY06 and it doesn't seem like he can't do it is to just take that request and pay it out of our FY06 contingency. So that would get it a little bit quicker and we will just get that done.

Alderman O'Neil asked that is similar to what we have done in purchasing cruisers a few years ago.

Mayor Guinta answered yes. So that would leave or give the Chief a net increase in the equipment line item if we take care of the vests out of the FY06 budget.

Alderman Lopez asked if he is going to turn money in why wouldn't he just buy the vests out of his FY06 budget.

Mayor Guinta answered because I am not sure yet that he is able to give us a statement, and we did talk about this, as to what he is going to be giving back. Now it doesn't matter to meet quite frankly whether it is out of contingency or out

of the money he is going to give back but just to alleviate that issue I think we should get it done in FY06. For accounting purposes I think we will know sooner. I think we can probably do it quicker out of contingency than out of his line item. It is probably going to take another month or so before he can tell us what he is going to be giving back. I believe there were some expenses they held during FY06 because of other line item restraints.

Deputy Chief Simmons stated that is correct. We have some radios that need to be replaced and some equipment areas that we need to look at.

Vice-Chairman Gatsas asked why wouldn't you take the \$43,000 for the new officers – their vests and their radios out of contingency.

Mayor Guinta answered quite honestly because I don't think we can get the officers on line in FY06. When I announced the officers in FY06 that was the plan quite frankly.

Vice-Chairman Gatsas stated but if it is there it is there.

Mayor Guinta responded it is there but I don't think we can get the officers in line in FY06.

Vice-Chairman Gatsas replied what I am saying to you is if we bought it in FY06 out of contingency and it sat in the Chief's office until FY07 it is bought and we don't have to wait for it in FY07.

Chief Jaskolka responded we can't buy the vests, they are custom fitted but that would work.

Vice-Chairman Gatsas stated well you can put an order in and have a credit.

Chief Jaskolka replied yes we can.

Alderman Roy asked can I follow-up my question.

Vice-Chairman Gatsas answered can we just let the Mayor finish where he was going.

Mayor Guinta stated I am trying to take this piecemeal so we can get a feel for how we can get this done. So that would give I think in the equipment line item for FY07 more flexibility than the Chief has had in years past. Just quickly on the salary, the line item request was \$15.5 million. I funded it at \$15.1 million and

again backed out the 4%. That represents \$495,000. So \$495,000 of the \$1 million coming from Police.

Vice-Chairman Gatsas asked can you do that one more time please.

Mayor Guinta stated the \$15.5 million was the request from the Chief. \$15.1 was what I funded. I backed out 4%, which is the \$495,000. That is just out of the regular salary line.

Vice-Chairman Gatsas replied on here it is \$401,000. From \$15.524 million, which is what their budget request was for FY07 and your budget is \$15.122 million. The difference is \$401,000.

Mayor Guinta stated this accounting method kind of confused me too.

Vice-Chairman Gatsas responded I am not on that one. I am on this sheet here. If you take their \$15.524 million and you remove your 4% you are removing \$620,000.

Mayor Guinta stated right from their...

Vice-Chairman Gatsas interjected from their \$15.524 million. So that is \$14.9 million.

Mayor Guinta asked do we have a budget book. I think this number might be wrong.

Alderman Lopez asked can I ask the Finance Officer a question while the Mayor is doing that. Kevin on the fund balance of \$500,000 is any of the contingency money covered in that fund balance?

Mr. Clougherty answered usually we get about 1% back from the departments and it is different every year. This year contingency probably would be part of that.

Alderman Lopez asked the contingency. Do you know how much we have allocated for departments now out of contingency?

Mr. Clougherty answered you probably have close to \$500,000 left in contingency.

Alderman Lopez stated I know what we have left.

Mr. Clougherty responded you have given out about \$30,000 or \$40,000 but some of them...for example if you recall the initial amount was for \$33,000 for the Economic Development Office and we know that is a high number. I think you are around \$500,000 actual when it is all said and done.

Alderman Lopez asked what would your advice be regarding the contingency if we are counting some of it towards the fund balance.

Mr. Clougherty answered I think we have done that in the past and that is something that we will take a look at in the Committee of Accounts. We will have to monitor to have savings in other areas but if it is a priority to get the police this equipment that is fine. Just be advised that because of the fiscal years we can't pay for bodies out of this year's dollars that are going to be hired next year. Equipment and salt and sand and cruisers we have done as long as it is not a salary line. That is where you run into trouble.

Alderman O'Neil stated Kevin we have to have throughout the City bought equipment this year that is for people next year.

Mr. Clougherty replied that is what I am saying. Equipment is fine but it is bodies that you can't do.

Alderman O'Neil stated okay I misunderstood what you said. So we could buy the bulletproof vests if there is a consensus that we are probably going to hire those six officers next year?

Mr. Clougherty responded the equipment is not as problematic as paying salaries.

Vice-Chairman Gatsas stated there is \$500,000 hanging around in FY06 that we can do something with.

Alderman Roy stated two things while the Mayor is working on his numbers that I just wanted to get out of the way. Chief if this Committee was before the end of today to approve a vest number would it need to be the \$42,000 or the \$10,000? What buys the vests today?

Deputy Chief Simmons stated for the 83 vests clean it would be about \$42,400.

Vice-Chairman Gatsas stated let's include the other people too.

Deputy Chief Simmons replied okay you would add the additional six times about \$3,000.

Alderman Roy asked so \$45,000 from contingency today.

Vice-Chairman Gatsas stated we want to make sure...he is looking for \$43,000 for those six new hires.

Alderman Roy replied no.

Vice-Chairman Gatsas responded yes he is.

Deputy Chief Simmons stated we are talking about the vests in one instance, the 83 vests which would be about \$43,000 and then the soup to nuts equipment for new officers would be about \$43,000.

Vice-Chairman Gatsas responded so that is \$86,000 total.

Alderman Roy stated I was just combining the vest order into one order. I am sure we have other equipment to the tune of \$40,000 additional dollars that needs to be purchased when they come on line but I don't believe at this point we are talking about buying belts and badges and shirts and pants for officers.

Deputy Chief Simmons responded it is up to you.

Vice-Chairman Gatsas replied you might not be but some of us around this table are.

Alderman Roy stated I will gladly go there. Chief in managing your department we have talked and sometimes butted heads on this but the Mayor has looked at a 4% vacancy rate Citywide...

Mayor Guinta interjected before we continue down this road for the public's sake let me...I apologize to the Board. I am going to have to go check my notes because I may not have taken that out of Police. I may have taken it out of everybody else. I am looking at the calculation here and I don't think I took it out of Police, which means...

Alderman O'Neil interjected if I may earlier they said they were about \$260,000 short in salaries.

Mayor Guinta stated but you are assuming...maybe Ginny could talk about how we provide the salary line. The salary line as I understand it comes from HR and it goes to Police while they are building their budget for my review. So what HR sends to the department heads is 100% complement. It is the pay for 100% correct?

Ms. Lamberton responded correct.

Mayor Guinta stated so that would be for full complement 365 days a year. Have we ever been at full complement 365 days a year?

Chief Jaskolka replied to the best of my knowledge no. We have hit full complement twice in the three years I have been Chief but unfortunately within weeks or months that breaks down.

Mayor Guinta stated what I was trying to do is in my salary number trying to figure out okay what do they actually need just given the vacancy rate that you see and the time that it takes to replace those officers. I would have to go back to my notes to determine if I did take the 4% out.

Alderman O'Neil stated your Honor I think...I don't disagree with your thinking on that but I think the problem right now is we are talking about putting more police officers and the timing kind of says we have to do it now. There is an academy I believe in August correct?

Chief Jaskolka replied the next academy would be in August yes.

Alderman O'Neil stated so they have identified 11-13 potential candidates that look like they are pretty close. Is that correct? I don't want to speak for you.

Chief Jaskolka responded they are in the background phase right now. My concern today is after this background investigation the next step is medical and psychological and again that is \$1,000 per person and that is the direction I need as to whether or not I should go forward to have that done to spend that kind of money.

Alderman O'Neil stated my point is if we are not going to strike now to get the potential 13 officers – the 7 potential vacancies plus the 6 new ones, we are going to wait some time and true we will not then spend those salaries but if we want to strike this is the time to strike to fill those 7 potential vacancies and the 6 new police officers.

Vice-Chairman Gatsas stated just to help you out with your numbers, the \$15,524,128 times 4% is \$620,000. You added back in the \$237,000 which got you to the \$15,122,000. I think you did your subtraction and put in the six new employees...

Mayor Guinta interjected and didn't take the 4%.

Vice-Chairman Gatsas stated you did take the 4% off of the \$15,524,128. That leaves you with \$14.9 million. You took the \$14.9 million and added the \$237,000 back in for the six new hires to get you to the \$15.1 million.

Mayor Guinta stated that makes life easier then.

Alderman O'Neil stated but it didn't include uniforms and benefits or equipment and benefits.

Vice-Chairman Gatsas responded I don't think it did, Alderman, but I think his calculation that he did from the 4% on the \$15.5 million gets him to \$14.9 million and adding the \$237,000 for the officers gets it in so I think what you are looking at is probably a \$500,000 addition to your slush fund. Instead of being \$1 million it is \$1.5 million.

Alderman Roy asked can I go back to my question. Chief, as I started to say we have butted heads on this. At what point do we start managing the department or managing retirements and losses of employees that we occasionally will have to run over complement knowing that like hypothetically we will have 6 or 10 retirees. It always seems like we are playing catch up. We drop down to 193 officers and we bring it back to 206. We add 6 to the complement and are at 215 and we have retirees leave at the door and back down to 201. I am just wondering if we did away with the 4% in your department, which we are talking about at what point are we looking at having an extra 5 or 7 officers to take care of next years retirements in the academy as of August of this year? I am just outside the box again. Is that something you would look forward to doing?

Chief Jaskolka answered I definitely would look forward to doing that. My concern right now and I am going to be very honest with the Board is I don't know that I could hire above the 13 at this point. I would probably have to give another test unless we have some other certified people that become available from other departments due to problems in their jurisdictions.

Alderman Roy asked so just for clarification you don't think you could get 13 from your current test but if we authorized you to test again at this point could you have additional officers ready for August.

Chief Jaskolka answered I believe I can get the 13 out of the current list that we have. We are somewhere in the second tier as far as looking at the candidates that passed all three phases of the exam. Usually when we get to the second and third tiers we don't have a lot of luck with those hires. There are some people who just don't do well in normal testing and then we put them in the background process

and they turn out to be outstanding candidates. That is something we will have to identify as the process goes on.

Alderman Roy stated I would just urge my colleagues for us not to be playing catch up constantly when it comes to public safety. We have a very long period of time between the approval of this Board and hiring someone, getting them trained and getting them on the street. It is too reactionary. We should be planning ahead for retirees and letting the Chief manage his department. If he ends up carrying three or four and not getting the retirees, that is a management issue not a budget issue and not a safety issue.

Mayor Guinta responded but in the past it has been a budget issue. That is the problem. We can't really lay it on the Police Department. It has been a budget issue. I don't think that as the Board of Mayor and Aldermen we have really set a policy about how to manage it. We give a number and it is voted on in June and then the Chief has to live within that number.

Alderman Roy replied I agree and I am asking this Board to look at a different way of doing business so we can plan for those retirements and changes in employment so the Chief isn't hindered for six or eight months with less manpower and public safety doesn't suffer.

Mayor Guinta stated sometimes you don't know when the retirements are going to happen.

Alderman Roy responded well I don't think the Chief has a crystal ball but I would like to allow him some latitude there.

Mayor Guinta stated to get back to the salary line item I will have to...before I can 100% confirm it for the Board which I will do during the week, I think that is the way I calculated it. I took the \$15.524 million request and fully funded it. Backed out the 4%, which is the \$620,000. Added in the six officers at \$240,000 which roughly gets you to the \$15.122 million number. I may have to actually change the salary adjustment from \$1 million to \$1.5 million.

Vice-Chairman Gatsas replied correct.

Alderman O'Neil asked would you agree, your Honor, that we are going to have to fund benefits for those six new officers.

Vice-Chairman Gatsas answered it is in there.

Alderman O'Neil asked, your Honor, do you believe...they are pretty sure that they will have seven vacancies by the end of this fiscal year. Do you believe they have enough money or do we need to put more money in FY07 to cover those seven vacancies?

Vice-Chairman Gatsas answered those seven vacancies will be at a lesser rate than the current ones are in at. In other words if somebody is in there at \$50,000 just using a number. I don't know what the number is but let's assume there are seven retirees in at \$50,000. The new hire will come in at \$25,000. I know those aren't the right numbers.

Alderman O'Neil responded I don't doubt what you are saying. At the end of the day all I want to make sure is that come August there are 13 new police officers employed by the City. I understand some of them are going to be at the academy but that there are 13 officers employed by the City of Manchester.

Mayor Guinta stated the answer is yes because when HR gives the salary...HR gave the salary at the 209 complement, not the 215. So if you move the six officers out for the moment because right now the complement is 209 right. So that is what HR gives the Chief for budget projections for FY07. That is in there. What we have to do is add the six in. I think what is getting somewhat confusing is that I added six but I took 4% out and put it in salary adjustment.

Alderman O'Neil stated but they indicated earlier that they believe they are short in salaries about \$260,000 for the 209 complement.

Mayor Guinta asked for the 209 complement.

Chief Jaskolka answered that is at 100%. That is budgeted at 100%.

Mayor Guinta stated if you look at the FY06 number compared to the FY07 number it is not an apples to apples comparison. Also, there is probably going to be some level of vacancy throughout the year that we can't imagine.

Alderman O'Neil asked are we saying then that if we give them a number and they get in some trouble six or nine months down the road because we said yes have a full complement that we are going to stand behind them and not be...

Mayor Guinta interjected I don't think that is going to happen.

Vice-Chairman Gatsas stated he has a slush fund.

Mayor Guinta stated I don't think that is going to happen but there is the salary adjustment line.

Alderman O'Neil stated I think that is the biggest challenge that our department heads have is that they take what they do very seriously and they don't want to come in here and say we have overspent our budget yet we ask an awful lot out of them and I think that is the balance that we have to reach here is that if they come back and say gee you asked us to have a full complement be aggressive about having a full complement but come next spring we can't be critical of them and say gee you have overspent your budget when we directed them to have a full complement and we know today it may be enough money or may not be enough money. I am okay with that approach just as long as we are willing to stand behind that.

Mayor Guinta replied I agree with that and we are willing to stand behind it and that is also why we have the salary adjustment account in the actual budget.

Vice-Chairman Gatsas stated how about we do something right now that we can all agree on. How about if we take \$83,000 out of this year's contingency, apply it to the vests...

Mayor Guinta interjected \$43,000. It is \$43,000 for 83 vests right?

Vice-Chairman Gatsas stated but then there is another \$43,000 for the rest of the equipment for the six new hires.

Mayor Guinta responded but that would be in their FY07 appropriation.

Vice-Chairman Gatsas replied I am trying to help you here. Those are dollars that we are spending out of today's contingency that we can do and it gives you a little more room in your budget for FY07.

Mayor Guinta asked so reduce out of the FY07 what we are buying in FY06.

Vice-Chairman Gatsas answered buy it out of FY06 so it is a done thing and moving forward.

Vice-Chairman Gatsas moved to take \$86,000 out of contingency to purchase 83 bullet proof vests and vests and equipment for the six new police officers.
Alderman Roy duly seconded the motion.

Alderman DeVries stated just because of the impromptu conversation I don't think we should be spending the contingency before we have our CIP meeting. There

have been a lot of things brought forward that I think Alderman Garrity is going to be reviewing with us on Thursday. Why don't we refer this discussion to CIP so we can put this in context with other projects that we have asked for and I think some of it may have been pertaining to the Police Department and some Traffic?

Alderman O'Neil responded just a clarification. It is not in CIP. It is in their operating budget I believe.

Alderman DeVries replied I understand but you are talking about spending the contingency and some of the CIP proposals we might want to take care of out of the contingency. Why don't we complete our thoughts and collect all of the information before we go spending it down? The Mayor says this is in the FY07 budget. Let's agree with him.

Mayor Guinta stated if we do the \$43,000 for vests in FY06...I just want to make sure we understand each other. If we do the \$43,000 for vests in FY06 we would have a net effect for the FY07 equipment line item budget that I appropriated at \$96,700.

Vice-Chairman Gatsas responded correct. We are just basing that on your...and then also the...

Alderman Lopez interjected I believe Kevin wants to speak.

Mr. Clougherty stated I just wanted to clarify for the Board and this kind of relates to what Alderman DeVries was saying is to remind the Board that you are in the Finance Committee. If you take a vote it is going to have to be a committee report that will go to the full Board at the next meeting. The CIP meetings are next week and the next meeting you will act on this would be the first meeting in May. Is that right Carol?

Deputy Clerk Johnson responded yes.

Mr. Clougherty stated so you are kind of on the same track here. I just want you to know that we are not going to automatically change it tonight. It has to have another vote at the Board.

Vice-Chairman Gatsas replied I didn't expect you to change it tonight.

Mayor Guinta stated this is a vote that I was actually going to be asking the Board to take at the next BMA meeting. While I understand what Alderman DeVries is talking about I would agree that at least as I proposed the budget that to me the public safety issue is becoming clearly more important as we have seen in some of

the challenges that we have had. I would certainly be in favor of the vote. I think it supports the need and the initiatives that we are trying to set forth.

Alderman Lopez stated I just want to go back now to the original numbers. You said in the beginning that there was \$371,000 that was not there and \$10,000. For the jackets. Now don't get me wrong but I am a little confused on the number the Mayor got in the budget for the Police Department for a full complement. To make sure I will ask the same question again. What I see here is \$23,758,740 minus the six police officers. That would be 100% complement.

Vice-Chairman Gatsas responded Ms. Lamberton wants to respond to you.

Alderman Lopez stated just a second.

Vice-Chairman Gatsas replied she is getting awful antsy.

Ms. Lamberton stated I just want to clarify something that I think will help you. In fact when we did the original projections a couple of times we did it with the vacancy and we did it with higher insurance numbers. I would say the first week in March we redid our projections, which I presume the Mayor used for this...I don't know and that excluded the vacancies and reduced the health insurance and the dental insurance and increased the retirement. So the projections we gave excluded vacant positions. I want to clarify that. That means there was no proposed funding for any vacant positions they had at that time.

Alderman Lopez responded that is where I was going because in her report it says there is \$401,000 that is not in the budget. Does everybody have her HR report? That is why there are numbers being thrown around and it is a little confusing between the Mayor and the 4% and what the department...that is why I keep going back to your 100% was 209 police officers correct and in order to have your full complement you are going to need \$23,758,740 minus the six police officers and the jackets that we are going to vote on here in a minute. Do you agree with that?

Chief Jaskolka stated the number we use is our estimate of what it is going to cost for 100% complement and we compare that to the Mayor's number. Those are the only numbers we have to work with and that is the result that we came out with – that figure with and without the PCO's as part of our salary line.

Alderman Lopez stated well the Mayor's budget according to the HR Director you are short \$401,899 and you are saying that is not right or it is right.

Chief Jaskolka replied again we came up with that figure by using our input minus the Mayor's budget.

Deputy Chief Simmons stated the \$401,899 is the difference between our input and what the Mayor's budget was yes. The only thing we did different on the sheet we provided you is we...

Alderman Lopez interjected let me stop you there so I understand it. I know you understand it. So you are short \$401,899 and now I want to add the six police officers so that is another \$300,000?

Deputy Chief Simmons stated \$237,499.

Alderman Lopez asked plus benefits right.

Deputy Chief Simmons answered yes but I was just going with the salary line item.

Alderman Lopez asked but with benefits. You still have to have the money and that is another \$300,000 so that comes up to over \$700,000 right now that you are short if we add the six police officers to give you 215 police officers or a full complement?

Vice-Chairman Gatsas answered I agree with you Alderman. It is actually about \$630,000 but that is where the Mayor took their number of the \$515,000 and took the 4% out because he is doing that with every department – managing that 4% vacancy factor that we have.

Alderman Lopez stated I know that and then you said and the Mayor agreed with you that the salary adjustment account should be \$1.5 million, which would change the numbers in here.

Vice-Chairman Gatsas replied no these numbers are correct but he has done it before hand and then put them in.

Alderman Lopez asked is there going to be \$1 million in the salary adjustment or \$1.5 million.

Vice-Chairman Gatsas answered \$1.5 million.

Mayor Guinta stated I want to check on that. I am not sure if it is \$1 million or \$1.5 million. I have to check my notes.

Vice-Chairman Gatsas stated it has to be \$1.5 million. You have \$600,000 here and you have the same kind of wage at Fire.

Alderman Lopez stated we are finally on the same page Alderman.

Alderman Shea asked what would be the difference, Kevin, by adding whatever they need or adding an extra \$500,000 to the fund balance. Is that more beneficial to keep it there and then remove it as we go along or is it better to fund them now and whatever? What is your thought?

Mr. Clougherty answered to do what you are talking about with the equipment I think is about \$40,000.

Alderman Shea stated no I am talking about he has a \$1 million in there now and he wants to put another...well he doesn't want to but if he were to then that would bring it up to \$1.5 million. I am asking for a comparison between putting it there at some time if he prefers to do that, not putting it there which we won't consider but let's assume he decides to, or putting in the Police Department funding for their department at this stage?

Mr. Clougherty replied it is merely a question of approach Alderman. Do you want to have the vacancy rates and your fund balance managed by the Mayor's Office and how they treat filling a vacancy or do you want to put it in the department's appropriation? If you want to put it in the department's appropriation it is probably going to be a higher number.

Alderman Shea stated it doesn't really make any difference though on the tax rate does it.

Mr. Clougherty responded no.

Alderman Shea stated my second question and a follow up is if and my train of thought is going a little bit quickly here but assuming that we run out of money in that fund balance for whatever reason because of the type of situations going on where do we find the additional money. When we get that money do we go into trust funds or rainy day funds or try to cut back on the departments at that stage?

Mr. Clougherty replied it would be managed the same as we do all of your accounts. Your salary adjustment would be reported to the Committee on Accounts monthly. You would see what your balances are.

Alderman Lopez stated Kevin I have been here now going on seven years and you have never had a salary adjustment line. You always said appropriate it, put it there and let the departments run and have the flexibility. I understand where the

Mayor wants to go. He is anticipating vacancies and all of that stuff but your principles of teaching in the last six years has now switched 180 degrees.

Mr. Clougherty responded unlike some of the other principles that we have talked about Alderman the use of salary adjustment has really been something that has been a determination of the Mayor's doing the budgets. As you know under the Charter it is the Mayor who is the budget officer and determines how he wants to structure his different line items. This is the one area where Mayors have had differences of opinion. Mayor Wieczorek used a salary adjustment line. Mayor Baines preferred not to. It is really a matter of approach as opposed to some of the other things we talk about in terms of using dollars.

Alderman Lopez stated I am not talking about the Mayor. I am talking about you as the Chief Finance Officer.

Mr. Clougherty replied either way what is going to happen is if you appropriate it as a salary adjustment we are going to report it to the Board using the same mechanism that we do all of the time for all of the line items. That is not going to change. It is going to be controlled from our office the same way. The preference is to how this Board wants to manage the salary lines going forward. If you want to have that done through the executive office you can do that. If you want to appropriate it to the department you can do that. It can be done both ways.

Vice-Chairman Gatsas stated I want to remind the Chairman that when we were freshman Aldermen I tried to do that. I thought it made more sense that we would have a single line item for people to be hired out of rather than nobody ever knowing what was available in the City because if they needed more police officers you had the ability to do it. If we don't have it there it is very difficult to take money out of a different line item. Let's assume that we get to April of next year and only \$200,000 has been used in that line item. The Mayor can then say we are going to allocate 15 new police officers because the money is there. Without that we can't do that.

Alderman Lopez responded I know but I don't want to lose the Board aspect here because before it became a slush fund and people got bonuses before they left and everything else.

Mayor Guinta stated don't worry about me.

Alderman O'Neil stated we could be here for hours debating how we get down this road. I think we all want to go down the same road. How we navigate I guess is a concern. My only issue with this is I want to make sure that we have 209 police officers to begin with as close to the beginning of the fiscal year as we can and

that they maintain a complement of 209 throughout the year. They can't control if somebody is going to come in in December or April of next year and say they are going to retire. What I don't want to hear is we can't fill positions during the year because we weren't given enough money. I support having a full complement of police officers at 209. I support having the additional six officers for 215 but what I don't want to hear is that we can't fill positions during the year because of the budget. As long as everybody is clear about that, which is sounds like everybody is, I will support moving forward. I will share with you that this is a pretty serious issue. About two weeks ago I woke up at 1:30 AM and there were shots fired four houses away from me. Now I was able to convince my wife that number one there was going to be a great police response, which there was. They checked the whole neighborhood to make sure that homes were not hit. They believed it was a random type shooting. More importantly they had the people to do the follow-up. Although they may not have enough evidence to arrest somebody now they have a pretty good IDIEA of who it is and we still live in a safe neighborhood because of the great response that night from them and the follow-up. We have to give them the tools to do their job. I know they are capable of doing it. They have proven that.

Vice-Chairman Gatsas called for a vote on the motion to take \$86,000 from contingency, which consists of \$43,000 for bulletproof vests and \$43,000 for equipment for the six new hires.

Alderman DeVries asked this is a recommendation to another Committee from the Committee on Finance so there is no actual action occurring out of this. It is just a recommendation vote this evening correct?

Vice-Chairman Gatsas answered other than this being recommended to the full Board at the full session a week from now, that is what we are doing. That is the recommendation.

There being none opposed, the motion carried.

Mayor Guinta stated thank you for the vote. I think that is the right thing to do. I just wanted to share something that Alderman O'Neil had talked about and I faced the same situation over the late summer. A shooting happened within 100 yards of my house. When we do talk about public safety I think we are all understanding that it is a far more important issue then I think we have ever realized, which I think...well I don't want to say that we didn't think it was an important issue. I think we have always thought it was an important issue but I think we are starting to through the budget process respect public safety and the things that we need to do from a public safety perspective in the City. The salary adjustment line item I want to sort of tell you that it puts me in the hot seat quite frankly. I have to

manage that line item and we have to be able to make the right decisions through the year on behalf of the City. It is my hope and Alderman Gatsas sort of touched on it that if we can manage that item properly then we do have money at the end of the year to try to address additional positions.

Vice-Chairman Gatsas stated just a clarification for this Board's understanding. The Mayor can recommend hiring 15 new people at Highway. It comes out of that contingency but it must be voted by this Board to move it into the salary account of that department. There should be no fear by this Board that the Mayor has a willy nilly of \$1.5 million without any oversight from this Board.

Alderman Lopez responded I disagree with you on that. The salary adjustment account would be for only the Mayor to move numbers.

Alderman Gatsas stated it has to be moved into the department and he can't just do it.

Mayor Guinta asked can we get a ruling on that.

Mr. Clougherty stated I think the Aldermen can structure it any way they want but in the past the salary adjustment dollars have been moved the same as contingency. It comes in as a resolution and then the money is transferred from the salary adjustment account to the respective department.

Alderman Lopez asked so if it is not a contingency and we want to set up a salary adjustment account I am just telling you that before it was moved around by the Mayor himself.

Vice-Chairman Gatsas answered I don't agree with that. Let's have an understanding, your Honor, that we will come in with a resolution that says you can adjust it but then we have to vote on it.

Mayor Guinta asked which Mayor are you referring to.

Alderman Lopez answered not you. You haven't been here that long.

Mayor Guinta responded well I don't want the public to think that I am giving bonuses to people.

Alderman Shea stated one of the considerations is that the Mayor has to put that money into the fund balance.

Vice-Chairman Gatsas replied it is in the fund balance. He will come to us and say...

Alderman Shea interjected right but he is the one that has to put it in. I think that is what Alderman Lopez's concern is.

Vice-Chairman Gatsas stated no it will be in the budget as we see it. On that single piece of paper you will see fund balance.

Alderman Shea asked you are saying that we should put that into the fund balance.

Vice-Chairman Gatsas answered I am just saying that on that white piece of paper we can do whatever we want.

Mr. Clougherty stated it is not fund balance. You will establish a salary adjustment account line item in the budget that is the same as the contingency line or your civic contribution line. It is the same type of thing and just as those have to be approved by the Board, that would be the same control as it is currently structured. It would have to come back to the Board. If there were monies that were going to be taken out of salary adjustment as the recommendation of the Mayor for the Police Department it would come back to the Board and you would approve that the same as if the Chief came in and asked for a contingency transfer. That is the way it has worked in the past Alderman. You could structure it so that the Mayor has more authority but that is the way it has worked in the past. It has to come to the Board.

Alderman Shea asked Mayor are you considering putting that extra \$500,000 into the salary adjustment account.

Vice-Chairman Gatsas stated he can't do anything right now. It is on our white piece of paper right now

Mayor Guinta asked are you talking about the fund balance.

Alderman Shea answered I am talking about the salary adjustment.

Mayor Guinta stated the intention I have is to establish a salary adjustment account that is managed by the Mayor. Any action out of that account would require a full Board vote. Regarding the extra \$500,000 I have to look at the calculation again.

Alderman DeVries stated I would like to take us back because we did take an action last year for the budget that I don't think ever got followed through on and

it was bothersome to me and that was to start...it took place with an additional position in the Traffic Department. A new traffic officer that would have aided not only increasing the presence of patrol officers on the streets but also would have helped us with speed enforcement. That position if I understand it correctly still has not been filled today and was not filled not because the money wasn't in your budget but because you could not make the hires of new officers to free up the people to move around in the different departments. Am I correct?

Chief Jaskolka replied you are partially correct. The hire was made. The position was one of the candidates we had at the police academy who didn't complete the academy. That would have been the extra funded position. The other positions are earmarked for the 4 PM to 12 AM shift.

Alderman DeVries asked is that position filled today.

Chief Jaskolka answered no it is not.

Alderman DeVries asked so that has been a vacancy in the budget for the entire year.

Chief Jaskolka answered that was approved as part of the last hire we did in October when we were able to hire those positions. Since that time we trained that extra position and sent that person to the police academy, however, that person was not able to complete the police academy. That would have been the group that is going into field training officer status this week. Understanding again that it is a six-month period from the time of hire until they go out on the street.

Alderman DeVries stated other officers in the Traffic Division haven't been rookies hired and dedicated from the day they were hired. They, I believe, have been patrol officers transferred. If you did something differently this time or if you were planning on something different and hiring a rookie and sending them to the academy and creating a delay it really doesn't matter and we don't need to do this today on camera. The concern is that we are creating positions across the Board that aren't all just the patrol officers. The 209 to 215. There are many different faucets of your department that we are expecting when we budget and take the initiative and notify the public that we are placing emphasis on speed enforcement or something. That somehow that is completed through the course of a year. I don't want to be here frustrated next year that we think we have increased the complement to 215 and find out for whatever reason that it has gone backwards or still sitting at 209. It is a very difficult situation. I am hoping that when we place emphasis on something and ask you to follow through with that that it will occur.

Chief Jaskolka responded I agree with you 100% Alderman. That was an additional position to the complement of the Police Department. Once that position came on line, once that rookie officer went out on the streets then it would have been a more veteran officer that would have been transferred into the Traffic Division. It was creating a new position that didn't exist in Traffic by adding to the complement of the Police Department. If we were to fill that position without the position in the street being filled we would be short one person on the street. That is why that hasn't been done. The intention was that position as I said was going into field training officer status as of this Monday, which is a five week period and at that point had that person continued through that program someone would have been transferred from patrol into traffic. They will be on the road in mid June, this particular group, and at that point that position would have been transferred or rather a position from patrol would have been transferred to traffic.

Alderman DeVries stated let's talk about the parking control officers. Are you at a full complement within the allocation?

Deputy Chief Simmons stated we have four full-timers and have been authorized for two part-timers. We only have one. We have been unable to fill the second one.

Alderman DeVries stated I realize that this is part of our discussion for creating a traffic enterprise and there was discussion that we would move the parking control officers away from the Police Department and they would become part of the traffic enterprise. The comment to be made here is that because of the background checks and the difficulty of finding qualified individuals for Police that probably makes a whole lot of sense to move some of the PCO's into the parking enterprise to get away from some of the difficult restrictions that the Police have if they are going to hire people and give them access to all of the documents through the State police.

Alderman Long asked is the application process different for a certified officer from another town.

Chief Jaskolka answered the only difference is they are not required to take a written exam. They go through physical agility and oral board and then they are put into the background process.

Alderman Long asked if somebody was to apply today how long before they are on the street.

Chief Jaskolka answered in five to six weeks. If a certified officer walks in tomorrow we are going to give them an oral board right away. We are going to

probably take them down to the gym or take them to one of the tracks and give them their physical agility and if they pass that they will go right into the background process. If it is a local officer it is quicker because you don't need the law packages. If it is an out-of-state officer they do have to go to the academy and get the law package depending on when that is offered during the academy itself. In most cases if there is a field training officer program depending on how well they do they may not do the entire five weeks.

Alderman Long asked in the police officer industry in your opinion do you believe that in the State of NH right now people know that Manchester is looking for officers. Is that safe to say?

Chief Jaskolka answered I believe they do and we have widened our advertising to try to go out of state. We are starting to attend job fairs in the state of Massachusetts. Some of them are costly so that is another consideration as to whether or not we send someone to a job fair.

Alderman O'Neil stated do you just want to share without maybe mentioning the community one police officer you have on your radar screen and the issue on why he or she might not come here.

Chief Jaskolka responded one local police officer that we are looking at works for a smaller town. His wife carries the health and dental insurance. His concern coming here is he is subsidized \$125 for not taking that insurance.

Alderman O'Neil stated I have one other question. There seems to be a great interest in retiring Manchester police officers becoming reserve officers but for some reason there seems to be some financial restriction. What can we do and to me I think they can play a role in doing some of the things that currently aren't and it is not meant to supplement the full-time officers but maybe some PCO type functions at night and stuff like that. What can we do to make that easier for you to have more...you seem to be locked in a number on the number of reserve officers you have. What can we do to expand that and open up opportunities? I now there is a cost but it is generally minimal for us.

Chief Jaskolka responded currently we are budgeted for five reserve officers. Basically what their responsibility is to us is that they give us eight hours a month either delivering paperwork like subpoenas or doing things within the building itself and in turn they are allowed to work extra details.

Alderman O'Neil asked why are we locked in on the number five though. Why can't it be 10 or 15 if we wanted?

Chief Jaskolka answered basically that is what we are budgeted for Alderman.

Alderman O'Neil asked do you happen to know off the top of your head the cost per officer to do that.

Chief Jaskolka answered it is about \$3,000 per officer. Again it is only eight hours a month and it is at a reduced rate as opposed to a starting police officer. Again, they do that for the ability to work the extra details.

Alderman O'Neil stated we have actually approved some money for traffic...not necessarily traffic enforcement but parking enforcement that I don't think you have always been able to fill with regular officers. Those officers could fill that role couldn't they?

Deputy Chief Simmons replied there are various aspects they could fill. Alderman Lopez has also been working with us and the bargaining units relative to this as well. Some of the areas...we don't want to mislead the Board. Certainly you are not going to save a lot of money in the budget by having reserve officers because they are not going to take the place of a regular officer.

Alderman O'Neil responded that is not my intent. I know there are a lot of little things that they can do.

Deputy Chief Simmons stated there are functions they could do. They could assist us on a Friday or Saturday night in booking and things along those lines. That would leave the arresting officer to get back on the street quicker. They can do fingerprinting and things along those lines. Our area of concern would be the budget monies to have those positions available whether it be eight hours a month or more.

Vice-Chairman Gatsas stated just for your clarification Alderman O'Neil, at \$3,000/year for 8 hours a month that is 96 hours a year, which is about \$31/hour. It is not like it is a \$10/hour employee.

Alderman Lopez stated I have been working for about a month with the union on this and had an initial meeting with George Smith and we went to the Police Department. Right now it is in the Patrolmen's union as to whether or not they want to proceed with this as far as what type of duties they would perform and all of that. It is more than \$31/hour. It is \$39+/hour for the police officers because there are all kinds of factors involved. I don't think the management negotiated with the union at the time so until they come up with something that is concrete and they can sit down with management and make an agreement as to how to use these officers. As I told Deputy Chief Simmons the intent was to establish this

particular fund to be self-sufficient for such things as extra weapons that they need and uniform allowance and training for those reserve officers who need mandatory training with the Police Department. So this special self-sufficient fund to take care of that there wouldn't be any tax dollars. We are at the stage now where I am waiting for the union to get back to me to see what they want.

Vice-Chairman Gatsas asked Ms. Lamberton can you tell me and I don't know if you have the same sheet as I have. I am looking at the...because I am trying to get back to Alderman O'Neil's question of whether we have enough money in the benefits line on the Mayor's budget. If we take the benefit line in FY06, the budgeted line just on the health insurance I am looking at a number of \$2,258,021.

Ms. Lamberton answered yes I have that.

Vice-Chairman Gatsas stated from what I understand from other meetings the increase in health insurance was 7.5%.

Ms. Lamberton replied that is correct.

Vice-Chairman Gatsas asked so if I take that 7.5% and I put it in...

Ms. Lamberton answered no it is already in.

Vice-Chairman Gatsas stated just bear with me. If I take the FY06 number and that is what the FY06 number was and I multiply that by 7.5% that comes out to \$2,427,372. That is what that number is. If I look over at the Mayor's budget he has a number of \$2,908,555 in there. That is an additional \$450,000 over and above what you actually need in the benefit line. If we subtract that \$400,000 from the Mayor's number of \$22,683,645 that gives us a starting point of \$22,285,662.

Ms. Lamberton stated when we do projections we are doing it not just...we don't just go 7.5% over whatever had been projected. What we do is literally go through each employees insurance plan. So some might be a family plan, which is like \$16,000 or a two person plan for \$11,000. That is how we come up with the number. So we probably have more family plans than we have single plans so that doesn't help your theory.

Vice-Chairman Gatsas asked so the \$2.9 million is the right number in there.

Ms. Lamberton answered no. I would say the department request, which is really what we put in of \$3.293 million for their current complement is the appropriate number. I calculated that we were short based on the current employees and the

current level of health insurance coverage by \$384,549. That is just for the current complement.

Vice-Chairman Gatsas asked then the 7.5% is not a number that we can use.

Ms. Lamberton answered no. When we are doing our projections...let's just say for the heck of it a single plan is \$100. So Pete has a single plan and we multiply 7.5% times \$100. Mary has a family plan and that is \$200 so we do 7.5% times \$200 and we keep doing that for each and every employee until we come to a total.

Vice-Chairman Gatsas asked but that is a 45% increase in that department. Does that sound reasonable? It doesn't sound reasonable to me.

Alderman O'Neil stated it is \$1 million right.

Vice-Chairman Gatsas answered right.

Ms. Lamberton stated no what happens is we do the literal projections and then somewhere they are cut. So the numbers you see for actuals for FY06 do not represent what we projected for FY06.

Vice-Chairman Gatsas asked what did you project for FY06.

Ms. Lamberton answered I don't have that stuff with me.

Vice-Chairman Gatsas stated so let me understand what you are saying. So as we go through this budget the numbers we are looking at for FY06 are insignificant. Somebody plays with those numbers and we don't know how they get played with.

Ms. Lamberton responded I don't know how they get played with. I just know that I have written you letters over the years when these proposed budgets have come out and said I don't agree with those numbers and you are going to go in the red if you put those numbers in there.

Alderman Shea asked didn't we have to take money out of some fund to compensate for the amount that wasn't in the budget. I don't know what that amount was.

Vice-Chairman Gatsas answered that was the health insurance.

Ms. Lamberton stated it was almost \$1 million last year.

Alderman O'Neil stated just to clarify are we saying that \$90,000 for the benefits for the new employees is not in there.

Vice-Chairman Gatsas responded that is right.

Alderman O'Neil stated that is a lot...that is a \$1 million increase in health benefits. That is a lot of money.

Vice-Chairman Gatsas stated the Finance Officer is going to check on that.

Alderman DeVries stated it has been awfully quiet coming from center stage for awhile. You have listened to the representations on how the Mayor's budget was built putting money aside for the salary adjustment line and taking out the parking control officers when the budget was built. Are you comfortable now after you have heard all of this and you know that we all have the commitment to increase the number of officers in your department and to increase police enforcement in the City? Are you comfortable with the Mayor's budget plus the increases that we have spoken about that we are going to make happen without guesstimating the rest of the services that are in place already?

Chief Jaskolka replied as I said at the very beginning of the presentation I need guidance today to see where we are going to go. If the Board is telling me to strive for full complement and should the salary line not be there come next spring that money will be available in an account to pay for that then yes I am comfortable.

Deputy Chief Simmons stated the only additional concern we have there would be the overtime line item. There is a difference of approximately \$71,000 between our request and what the Mayor budgeted. Historically because of vacancies in the salary line item there has always been a wash or a slight deficit in our overtime account. That will certainly be a concern. I guess the second question would be if that contingency would also allow us to go there for the overtime issue as well.

Alderman DeVries stated because I am not sure you just heard the police as a question that we should answer the salary adjustment account, will they be able to address their overtime shortage through that as well. Maybe the Finance Director can answer that?

Vice-Chairman Gatsas stated it is about a \$70,000 difference. I don't think that's...when you are talking about a \$22 million budget I don't think that is going to stop you. It is not a game breaker.

Alderman DeVries stated I will just finish up my question because of the rest of the commitment is that you are not cutting community policing and they are not going to take shortfalls because that is important and gang violence and neighborhood issues that Alderman Shea and I have had all spring, you are not going to take it out of traffic and other divisions. Domestic violence will stay intact if that salary adjustment account is there for you.

Chief Jaskolka responded that is correct. As a matter of fact with the additional officers we plan on taking one more step into the future. I have a preventative policing plan written. I just need the people to do that. That is essentially community policing where there will be an officer assigned to each sector in the City to deal with long-term problems as opposed to going and taking a report and talking to the neighbors and leaving. It is similar to what community policing does. It will bolster that program. By title the plan is preventative policing.

Alderman Shea stated the police have recommended to I guess different segments of society with themselves maybe first that there is a possibility to remove from the middle schools the community officers that are there. How does that impact your department if that were to occur?

Chief Jaskolka responded I wasn't aware of that. The School wants to remove them?

Alderman Shea replied well yes.

Vice-Chairman Gatsas stated I think that was on their doom and gloom paper. We have removed that doom and gloom paper.

Deputy Chief Simmons responded we are budgeted for those officers. They are currently assigned to the schools and we charge back.

Alderman Shea stated so in other words it is a chargeback to the schools and if they don't go into the schools you will use them as patrolmen. What I am saying is how do you change their function? Right now they are in the schools but how do you change their function.

Chief Jaskolka replied they are only in the schools during the school year.

Alderman Shea stated well that is nine months out of the year though.

Chief Jaskolka responded well they are regular patrol officers and perform regular patrol duties.

Alderman O'Neil asked but if they are not funded you will have to drop your complement by four positions.

Vice-Chairman Gatsas stated no. They are fully funded in their budget. It is just a chargeback to School when they are there.

Alderman O'Neil asked so we lose the revenue.

Alderman Lopez stated well they bank on that. That is how they make their budget.

Alderman Shea stated that is what I am trying to say. You will have to talk to the School District and see whether or not in the final analysis these people are going to be chargebacks or if their salaries are going to come out of your budget.

Alderman O'Neil stated one final thing. I have had a number of people in the past few months approach me about why we don't have D.A.R.E. in the schools. I know that is not your issue. It ties back...I probably should have asked the School District but I know that was eliminated a couple of years ago. I have had a number of parents approach me on why we don't return to that. I just throw that out there. Not to prolong this discussion but...

Vice-Chairman Gatsas interjected just for clarity's sake, I don't think there was anything adjusted in the salary adjustment account for the seven retiring police officers that are leaving at X amount and being replaced by someone at a lesser pay. Do you have the ability to move out of that salary line number and into a different line item or not? Let's assume that these seven police officers cost you \$700,000 and the seven new ones that you are going to hire only cost you \$500,000. Do you have the ability to move that \$200,000 into another line?

Deputy Chief Simmons stated no that stays in the salary and overtime line item.

Vice-Chairman Gatsas responded so you could move that into the overtime line is what you are saying.

Deputy Chief Simmons replied yes.

Vice-Chairman Gatsas stated you helped me. You can move it from salary to overtime.

Deputy Chief Simmons responded with permission from Kevin Clougherty we can do that. Could I address that a little further though? With the understanding that we will also see those vacancies in FY07 happen with some retirements and we

will have some additional savings there. As you said you can never tell. With that there will be the severance package that also goes along with that so the savings you are talking about will be diminished because of the severance we will have to pay out.

Vice-Chairman Gatsas asked Kevin there is nothing that says that in the severance package we can't take it out of the salary adjustment account right.

Mr. Clougherty answered no there isn't. It isn't with my approval. It is with approval from the Mayor under the Charter that he can move between line items within a department.

Alderman O'Neil asked did we ever address their concerns about being \$200,000 short in their severance account. We never talked about that. They are projecting that they will be short \$200,000 with the number of retirements they have coming up in FY07. I don't think we talked about it.

Deputy Chief Simmons stated we have never been funded for severance or if we have it was years ago. It was just an issue we wanted to raise with the understanding that there was a difference in the Mayor's budget from ours of, assuming the PCO's are gone, \$258,000. We just wanted to bring to your attention the additional \$200,000 that we are going to assume probably in FY07. Where it comes from...if someone else pays it that is fine.

Alderman Lopez stated the final number of the Police Department. I will go back for a third time because there have been so many numbers thrown around. We added \$371,000 for the new officers...

Vice-Chairman Gatsas interjected is this on your white sheet Alderman.

Alderman Lopez responded it is on my white sheet. I come up with \$24,129,740.

Vice-Chairman Gatsas stated I don't agree with that.

Alderman Lopez stated I am asking the Chief. I have \$24,129,740 for a full complement to include the six new police officers.

Vice-Chairman Gatsas asked what is the number again.

Alderman Lopez answered \$24,129,740. That gives them 209 police officers with six additional and the vests are a separate issue.

Vice-Chairman Gatsas asked the way.

Alderman Lopez stated the bulletproof vests are a separate issue. I took out the \$10,000 for that.

Deputy Chief Simmons asked are you taking our...looking at our Powerpoint total of \$23,758,740 you are taking that total and you are adding what we put in at \$237,499...

Alderman Lopez interjected and the \$371,000.

Deputy Chief Simmons responded plus the \$90,000 in benefits. So your question would be...

Alderman Lopez interjected the bottom line number that you are happy with.

Deputy Chief Simmons asked with that it would be \$24,862...

Alderman Lopez interjected I don't think that is right. I just added \$371,000 that's all.

Vice-Chairman Gatsas stated you can't do that. I just paid for the vests.

Alderman Lopez responded I scratched those out.

Vice-Chairman Gatsas replied you couldn't have because you would have to scratch it out of their total before you started.

Alderman Roy stated I can clarify that.

Alderman Lopez stated let me get my train of thought here to make sure. If you want to subtract \$43,000 from \$371,000 because we just gave them the money for the vests that would be \$338,000 added to \$23,758,740. So that is \$24,086,239. That is the bottom line for 209 police officers plus 6 additional.

Deputy Chief Simmons responded that is correct.

Alderman Lopez stated I just want to make sure I am working with the right numbers.

Vice-Chairman Gatsas stated just so I am working with the right number, if I take the Mayor's through process that he has done with all of these departments and I take the 4% off of the \$15.524 million that is \$620,000. If I subtract that from what you just agreed to, \$24,086,239, and subtract from that number the \$43,000

for the vests that we just paid you for and the \$43,000 that we paid that is in your equipment line. So that is \$86,000. The number we should be looking at is \$23,380,239. That is what is on my white sheet of paper.

Alderman Lopez stated not mine.

Deputy Chief Simmons stated certainly listening to the previous discussion you kind of lost me there but listening to your previous discussion it would appear he certainly funded the new officers at \$237,000. That was a concern of ours. He cut the 4% and brought that \$237,000 back in to fund those six additional officers. We would agree with that.

Vice-Chairman Gatsas responded what I am trying to do is...we are working on two separate numbers here and we are going to run into a problem.

Alderman Lopez stated we are going to run into a problem because you are taking the 4%. The Mayor is using vacancy. I am not using any vacancies. I am giving everything to the Police Department so they can run the Police Department without coming back to anybody.

Vice-Chairman Gatsas replied that is your choice.

Alderman Lopez stated that is not my choice it is the Board's. What are you doing? You are taking the 4% from that figure and saying okay there are going to be so many vacancies and when they run into a problem we will turn around and come to the contingency or salary adjustment and then help them out right?

Vice-Chairman Gatsas responded what I am saying to them is if there is \$600,000 and there are eight more vacancies that come to them in May then they should be coming to the Mayor to say we have to fill eight positions because we have eight vacancies and they need to start that process.

Alderman Lopez stated but they will have that money in their budget.

Vice-Chairman Gatsas responded it is in contingency.

Alderman Lopez stated that is what you are saying.

Vice-Chairman Gatsas replied that is the philosophical difference.

Alderman Lopez stated that is correct.

Vice-Chairman Gatsas asked so if you owned the company you would want to hold the reserves in your pocket rather than giving it to the department. If it was your dollar, your company, that is the way you would run your company.

Alderman Shea stated we are assuming that that money is going to be added to the salary adjustment because otherwise if it is not...

Vice-Chairman Gatsas interjected I agree with you because maybe he tells him to hire 20...maybe we come back and say hire 20 new police officers.

Alderman Roy stated just a clarification on Alderman Shea's comment. The difference between those two numbers is \$706,501 so if the Mayor adjusts his salary adjustment by \$500,000 it still leaves a \$206,000 deficit if the Chief does what I and I believe this Board is looking for him to do, which is keep 215 officers from July 1 until June 30 of FY07. It still leaves a \$706,000 deficit. If the Mayor funds \$500,000 then it is still a \$206,000 deficit.

Vice-Chairman Gatsas asked Chief how long have you been in the department.

Chief Jaskolka answered almost 30 years.

Vice-Chairman Gatsas stated I think the question was already asked of you but has there been a full complement for 365 days.

Chief Jaskolka replied we are trying.

Vice-Chairman Gatsas stated I know you are trying but what is the answer. Let me ask you the question again. Make believe you are in court. The answer is yes or no.

Chief Jaskolka responded no.

Alderman O'Neil stated but in his defense that could change...when Chief Kane comes up as him how many times he has promoted a Lieutenant over a one or two year period. They have only done one. You never know. It is a roller coaster sometimes.

Vice-Chairman Gatsas replied I don't disagree with you.

Alderman O'Neil stated I am hoping they have 215 from July 10 or July 15 through June 30.

Vice-Chairman Gatsas responded I hope when we are done this process we can maybe find them a couple of more.

Alderman O'Neil stated so we can't take for granted that there are going to be vacancies. We don't know that is going to happen.

Vice-Chairman Gatsas replied I agree with you.

Alderman O'Neil stated we have done that at the Fire Department before and it has come back to bite us.

Vice-Chairman Gatsas stated I know that Fire has been here awhile and I don't have a problem going through this but it appears that on Tuesday, April 25 we are coming back and on that day is Planning, Mayor, Senior Services, and OYS. I would think that we might be able to move a couple of those and have Fire that evening. Unless you folks want to stay for another hour and a half I would think that it would make sense...

Alderman O'Neil interjected with all due respect I gave up my day to be here and I would rather see them. You know what, you don't always make the best decisions at 11 PM or midnight. I would rather stay. Out of respect to them, they have sat here.

Vice-Chairman Gatsas replied I don't have a problem. I was just asking the Committee what their preference is.

Vice-Chairman Gatsas called for a five-minute recess.

Vice-Chairman Gatsas called the meeting back to order.

e) Fire Department

Joseph Kane, Fire Chief, stated first I would like to thank the Board. I know you have been here all day. I know it is a long day and I appreciate the work that you are doing. I appreciate the fact that you are allowing us to come before you and represent the Fire Department and also represent the members of the Department and the citizens. We did have a Powerpoint presentation but I guess there are some issues here with the computer and getting that up and running so we are going to forego that and just really get right into our budget presentation. I believe that all of you have our presentation in front of you. It was sent out and delivered to all of the Aldermen. I would just like to walk you through that briefly and then we can open it up for questions. The first section of the budget shows a 3% reduction from the FY06 budget. What we are looking at is taking the current

year's salary line, our requested salary line and the difference between those two. Basically you are looking at \$1.3 million. That is a pretty steep number. Then we are looking at...the next section is our overtime and we are looking at a requested overtime and a 3% cut from FY06 and we are looking at a difference of about \$350,000. As we look at doing the 3% reduction from the current year's budget, we looked at different line items and there are three areas in our budget. There is salaries, what we call restricted lines which are things that we cannot touch like health insurance, worker's compensation, dental, FICA, retirement and those types of things. We really don't have the ability to go in there and change those numbers. The final section is what we call our normal lines or expense accounts. Our expenses for this year are running extremely tight. We have a lot of expenses in regards to fuel, diesel, heating with natural gas and the utilities, which are running extremely high. We really didn't think that we could go in and take anything out of those lines so the 3% cut came mostly out of salaries. You can see what we are talking about and what the effect of that 3% would be we would have to place engine companies out of service and ladder companies out of service and lay-off some firefighters. I don't think that is an area that we won't to go down and I really wouldn't recommend doing anything like that. If we look at the next section and we look at the Mayor's proposal and we look at the impact of that I want to just kind of walk down what that is and what that does. First if we look down the salary line the department's request is for \$15.3 million. The Mayor's recommended is \$14.6 million. We have a shortfall there or a difference of \$717,000. What we think that means is a 4% reduction in the salary along with the BSO's salary. In having a conversation with the Mayor on Thursday he was agreeing with that and that is pretty much what that figure represents. The next line is the...

Alderman Lopez interjected what is he agreeing to.

Chief Kane stated he is saying that he took our department's requested salary line and reduced it 4%. We agree with that.

Vice-Chairman Gatsas asked you agree with that.

Chief Kane answered it is pretty close. We also assume that the BSO's salary was pulled out of there.

Vice-Chairman Gatsas asked whose salary.

Chief Kane answered our Business Service Officer.

Vice-Chairman Gatsas asked how much is that.

Chief Kane answered \$72,000.

Vice-Chairman Gatsas stated well 4% on \$15.368 million is \$614,723 but what is \$100,000 amongst friends.

Chief Kane responded when we were talking with the Mayor he said there could be some additional monies that were taken out and really didn't have a good number on that but it could be in that ballpark.

Vice-Chairman Gatsas replied but you said you agreed that it was 4%.

Chief Kane stated the majority of the money that he took out was the 4%. Does it come out to the penny? No.

Vice-Chairman Gatsas responded it doesn't come out to \$100,000 with the 4%.

Chief Kane stated that is correct.

Alderman Thibault stated I think there is a misunderstanding here. What Chief Kane is saying is that he agrees with the Mayor's figure in taking that 4% out.

Chief Kane stated I think what Alderman Gatsas is saying is that 4% comes out to \$600,000+ and then there is the issue of the BSO salary so you have to add that to it, that is \$72,000. Now you are talking...

Vice-Chairman Gatsas interjected \$689,000.

Chief Kane stated so now you are talking about a difference of \$30,000 give or take. There is some movement there. I haven't spent hours trying to figure that out.

Vice-Chairman Gatsas responded I was just trying to make sure because 4% wasn't coming out to that number.

Chief Kane stated you are correct.

Alderman Lopez asked so should I assume that the 4% comes out to \$614,000. Is that the number you came up with?

Vice-Chairman Gatsas answered \$614,000 and then I am using \$75,000 for the BSO.

Alderman Lopez asked and the money is coming out of there and that is where you get the \$717,000.

Vice-Chairman Gatsas answered not it is \$689,000. There is another \$30,000 floating around. Do we want to use the \$717,000 number?

Chief Kane stated I think \$717,000 is the accurate number. Overtime. We have a request for overtime of \$1.1 million and the Mayor's recommended was \$767,000. So there would be a shortfall in overtime of \$333,000. What we did here and when we put this thing together was we put this together before we talked to the Mayor. What we were thinking of doing is taking that money in overtime and pushing it up against salaries in order to avoid lay-offs but as we were talking to the Mayor he talked about funding that 4% in salaries out of the salary adjustment account so we really wouldn't have to do that. This is a little bit changed if you look at it that way. What we would do is leave that \$767,000 in overtime and use that so the impact of the reduction, the \$333,000 on the overtime would probably mean that we would have to put some ladder trucks out of service for awhile.

Alderman Shea asked how much did you use this year for overtime.

Chief Kane answered I am going to be using about \$767,000. That is the current year.

Alderman Shea asked is that what you are using for overtime or is that what the Mayor recommended for overtime.

Chief Kane stated the Mayor I believe almost level funded that. He reduced it to \$750,000.

Vice-Chairman Gatsas stated he reduced it from \$773,000 to \$767,000. He reduced it by \$6,000.

Alderman O'Neil asked can we get that one more time.

Vice-Chairman Gatsas stated the overtime that was in their budget for FY06 was \$773,280. The Mayor reduced it to \$767,000.

Alderman O'Neil asked and their actuals are tracking...

Vice-Chairman Gatsas interjected there is a balance in their overtime right now of \$242,000.

Alderman O'Neil stated that is correct.

Chief Kane stated if you want to you can flip to the next page and you can follow this whole budget line by line. If you look at the second line you can see current budget and current balance and requested and the Mayor's and the difference.

Alderman Pinard asked Joe regarding your overtime in the work world that is supposed to be for emergencies – in the private industry. Why is it that the Fire Department has to pay so much overtime? We are trying to help the taxpayers of the community. \$700,000 is an awful lot of overtime.

Chief Kane answered basically how we operate in our industry and it is not just Manchester, it is the industry, is that we have a fixed number of people on a truck, let's say a ladder truck. That ladder truck has two people on it. If one of those people that is on a ladder truck calls in sick or is on vacation or something like that we need an extra body to put on that ladder truck or the ladder truck would go out of service. So the overtime is used to make sure that that person is on that ladder truck.

Alderman Pinard stated it seems to me that you have a lot of trucks out of service if those are the only firemen out of 280 or 300. I still maintain that is an awful lot of overtime compared to the private sector. Who has established...in the private sector you work from 8-5, 5-midnight or midnight to 8 AM. I am just asking why that practice can't be put into place if it is going to save money for the people paying the taxes.

Vice-Chairman Gatsas asked for clarification your overtime budget you are doing very well in this year.

Chief Kane answered thank you. That is excellent management.

Vice-Chairman Gatsas stated that is excellent management so if you are managing it this year you can manage it as well next year so the \$767,000 number is a pretty good number in there because right now you are at about \$520,000 with \$773,000 budgeted.

Chief Kane responded that is correct. Can I explain to you the difference?

Vice-Chairman Gatsas stated it must be that 24/7 that we instituted.

Chief Kane responded I would like to explain the difference between those two numbers.

Vice-Chairman Gatsas asked hasn't that helped you though, that four on, three off.

Chief Kane answered we haven't done that yet.

Vice-Chairman Gatsas asked you haven't.

Chief Kane answered yes we have. The reason that there is a difference in those two numbers, which is large, is that last summer we did have apparatus out of service. As you recall Station 2 was in rehab so we had Station 2 and Ladder 2 out of service for the summer. The summer time is our biggest crunch time. The impact of budgets on different departments come at different times of the year. Frank Thomas is concerned about snow. My biggest concern is during the summer when I am dealing with vacations. So last summer I had...

Vice-Chairman Gatsas interjected one station can't account for 33% of your overtime because that is exactly what you are looking at.

Chief Kane stated one station was out of service for four months and what I have done is taken those people that were in that station and put them into other spots where I would normally have been paying overtime for. So you are looking at 20 people that I am pushing up against overtime. It is a pretty good number.

Vice-Chairman Gatsas asked let me understand what you just said. You took those four people...how many people?

Chief Kane answered there were 20 people in that station.

Vice-Chairman Gatsas asked so you took 20 people in that station and you reduced overtime by \$333,000. So if I hired you another 20 people you could reduce your overtime by about \$700,000?

Chief Kane answered you bet...wait that is the thing that you do. You switch in the middle of a statement. We have been through this before and there is a theory.

Vice-Chairman Gatsas stated this is the first time you ever admitted it.

Chief Kane responded no that isn't true. I admitted it last year. We do do that. I know there was an earlier conversation and I don't want to get in a lot of detail because I know it is getting late but about staffing and the amount of staffing that you have. The City has a policy that is called over/under. The Fire Department is in that policy. We can request additional people onto our permanent staffing if we can show that we can save money in the long run and have the money to pay that person. So I would take a person and put him into a rookie school in the spring so

that I don't have that person in the summer to push up against overtime if I anticipate someone retiring.

Alderman O'Neil stated the Chief provided me with a breakdown of costs of various types of stations and how they are manned. In a station similar to Station 2 it costs the City about \$32,000/week to man. He had generally speaking about that amount of money available and it probably doesn't work out exactly but those 20 firefighters made a big difference in the overtime budget. If that had been open for the year we wouldn't be having this same discussion.

Vice-Chairman Gatsas stated you are right. We might be talking about hiring five or ten new firemen.

Alderman Roy asked can we get a copy of that or any back-up Alderman O'Neil.

Alderman Shea stated I would like a copy of that too.

Alderman O'Neil stated for the record he provided me just a sampling for Station 7, which is a 20 person station; Station 8, which is a 16 person station and Station 9, which is a 12 person station. I will give that to the Clerk to get copies out. It is actual numbers from those stations.

Vice-Chairman Gatsas stated maybe you can do them all.

Alderman Roy stated yes may I request that we get that for every station.

Chief Kane responded yes.

Alderman O'Neil stated it is only salaries. I don't think he could break down utility costs and all of that. This is just salaries. It is pretty interesting when you realize what it costs to keep a single fire station open.

Chief Kane stated we want to get into line items next. Actually before we leave the overtime I just want to say that we did have a conversation with the Mayor in regards to all of this and we and the Mayor pretty much agreed on all of the issues. A discussion came up in regards to cost of administration and that type of thing and we kind of estimated our cost of administration as being fairly small. We don't have a lot of people in administration. It is between 2% and 3% of our salary budget so it is pretty small. The other thing I wanted to point out is our budget is pretty much made up of salaries in general. Around 96% of our budget is salaries. Those salaries and those people basically are on the trucks. That is where our cost is. Now if we can get into the line items we talked about service agreements, which is line 419 and we have about a \$10,000 difference. The

department requested \$119,000 and the Mayor recommended \$109,000. What we are looking at there is actual cost for licensing and maintenance agreements. So that \$10,000 is really something that needs to be paid. The next line is vehicle repairs. Although we are not talking a lot of money here – only \$4,000 the department's request was \$88,000 and the Mayor's recommended is \$83,700. We have a lot of very expensive vehicles and some of our vehicles are nearing 20 years old. So we are talking running...the trucks as you see them running down the street are maintained at a very high level. They all look great. We do a lot of work in maintaining them but some of the...

Vice-Chairman Gatsas interjected was is the rust repair.

Chief Kane stated that is two lines down. I will get to that.

Vice-Chairman Gatsas stated well if you want to talk about \$200 versus \$100,000 I guess we can wait two lines.

Chief Kane stated basically we have an aging fleet and that is something that we should look at. I think that the cost of maintenance of a fire fleet is really in line. The next line that we have an issue with is natural gas. We requested \$152,000 and the Mayor recommended level funding for what was this year. I think that everyone can pretty much agree that the heating costs for anyone has gone up significantly and even with our new number that we are requesting that heating issue is going to have a shortfall. Our discussion with the Mayor in regards to this is that the City maybe should be looking at establishing some sort of fund as they have done for the salary adjustment. Maybe they could establish a utility adjustment account. This is something that has been done in the past in budgets where the Board would set aside a certain amount of money to adjust utilities. So the Fire Department is not the only department in the City that is going to be running into fuel costs and diesel costs and heating costs that are going to fluctuate. Fortunately we have been talking to Public Service of NH and those prices I understand are coming down but I really have no handle on what the heating costs are going to be for next year. The final area that we would like to talk about is the rust repair. Metal rusting. What this line is used for is as I stated earlier a lot of our trucks can go to be 20 years old. That is not unusual. The life of a truck is usually about 12 years. We extend that quite extensively. The way that we try to extend the trucks is that halfway through their life or a little bit more we try to take them in and do rust repair, body repair so that we can keep them going. The things that rust out on a truck isn't necessarily the shiny stuff you see on the outside but the stuff that is rusting on trucks is the frames and the inner workings of it. Those are some of the things that we would like to use that money for. That account hasn't been funded for a number of years and not funding that account is going to take its toll on the trucks.

Vice-Chairman Gatsas moved to transfer \$100,000 for rust proofing and \$20,000 for protective clothing for a total of \$120,000 out of FY06 contingency.

Alderman Lopez asked Kevin are you keeping track of the money there and how much we have left.

Vice-Chairman Gatsas answered we have about \$300,000 left.

Alderman Lopez stated if we use that money none of that \$500,000 that is in the fund balance...that \$500,000 will still be there.

Vice-Chairman Gatsas stated this is contingency. FY06 contingency.

Alderman Lopez replied I realize that but there is also \$500,000 that is in the fund balance that they are counting on and I just want to make sure this has no bearing on that.

Mr. Clougherty stated there is a bearing. As I said earlier, that is one account in the mix. The more you draw that down the more that is going to have an effect.

Alderman Lopez duly seconded the motion.

Alderman O'Neil asked can we get a breakdown of what the \$100,000. It looks like it is kind of a general number. Can we get a breakdown of what it would go to and how quickly we could put it to good use?

Chief Kane answered yes. Any one of these numbers...I mean our budget is probably almost 3" thick. Each one of these numbers has history and work behind it. It will be really easy.

Alderman O'Neil stated I am looking for one page. I am not looking for 3" of paper.

Chief Kane responded I know you want to keep it simple.

Alderman O'Neil stated you must have some IDIEA. I know that Frank mentioned to that a piece that wasn't all that old was having some rust problems. It is a good program if we can do it and prolong the life a little bit because we haven't exactly been buying new trucks like we should be.

Alderman Thibault stated I would think that the most rust repair you would have to do now is around engines on the ladder trucks because all of the trucks are stainless steel or aluminum aren't they.

Chief Kane replied yes but stainless steel rusts and aluminum oxidizes. You have issues with...I mean we are keeping these vehicles for 15 years. Aluminum actually oxidizes quite readily but they are not the steel trucks of long ago. They are aluminum. We do have some stainless steel also. The issue is the frame. Those are made out of steel.

Alderman Thibault responded but that is mostly the engine, not the ladder.

Chief Kane stated I am talking about the engine trucks, not the ladder trucks.

Alderman Lopez stated I am wondering if Kevin can share the conversation over there that I didn't hear.

Vice-Chairman Gatsas stated I asked what he is doing for Greek Easter. While I am on the subject I want to wish all of the Orthodox people in the City of Manchester a Happy Easter tomorrow.

Alderman Roy stated I will hold my question until after we vote.

Vice-Chairman Gatsas called for a vote on the motion to move \$120,000 out of FY06 contingency to pay \$100,000 for rust repair and \$20,000 for protective clothing. There being none opposed, the motion carried.

Alderman Shea asked and that leaves how much in the contingency account.

Mr. Clougherty answered roughly somewhere around \$225,000. I will check.

Alderman Roy stated we may be here at midnight to actually make that good tidings wish at Greek Easter. Chief, I want to go in another direction back to your salary line item. We have had conversations and I know you have had conversations with other Aldermen regarding district chiefs and the safety concerns with not having them. What is the correct complement? How does it affect safety and why were they discontinued?

Chief Kane responded basically what we were doing a number of years ago was running what we call two District Chiefs. One on the East Side and one on the West Side. Eight or ten years ago we reduced that number from two District Chiefs to one. What impact that has on the City is basically one person now is responsible for the entire City and the entire City operation. He has basically 50

employees under him and is responsible for all of those employees, which is a lot of people. Instead of having two districts we have one district that that person is responsible for and that is the entire City. More importantly, the issue becomes that when we do have a fire usually if you have two District Chiefs out there working there is a back up to them. So in other words the person that is running to the fire or usually the first District Chief on the scene would be standing in front directing. The other District Chief would be roaming or go to the back of the building or inside of the building and also help with safety. So there is that back-up person and safety person that is really kind of missing from the scene. Now it is true that once a fire gets to a certain stage, you know I am called in and the other Chiefs are called in and take those responsibilities but it is usually you know during the first 15 or 20 minutes of a fire that is critical. That is going to give you the direction of the fire. Where are you going to go? Where are you going to be two hours from now and basically how are you going to be managing personnel? When personnel are inside the building and its burning, the more safety you can have on the scene the better.

Alderman Roy asked it is your preference that these positions are part of your department correct.

Chief Kane answered yes.

Alderman Roy asked and when you say one on the East Side and one on the West Side and then that was reduced to one for the City explain how that factors into the five that are currently working. We are not talking about adding one position; we are actually looking at more than that right?

Chief Kane answered there was a reduction of four people at that point in time and why I say four is when you look at any position on the Fire Department, it doesn't matter if it is a firefighter, an officer or a district chief, if you want to cover that position there are four shifts that need to be covered so you need a person on each shift.

Alderman Roy replied just to make it clear if you were putting together a departmental request and building the department from the ground up – zero based budgeting, would they be for safety purposes in your budget.

Chief Kane responded yes.

Alderman Roy stated I will give my colleagues some information. I firmly believe that we either need to add the District Chiefs back into the Fire Department or go ahead and put officers on ladder trucks. Right now we are out of compliance. We are putting the Chief in a position where he manages the department at a negative.

This is much like what we were talking about with the Police Chief running the department with vacancies and the total cost of this is \$325,000. It is a hard number to swallow but I believe adding the four positions back in would be prudent for safety and prudent for the citizens of Manchester. I know we are in hard budget times but that is a number that I firmly believe is something we should look at. I know the Chief and I disagree on this but I would much rather build in the \$325,000 in salaries and benefits for the four employees than give him \$300,000 in his overtime line item. We disagree on that but I believe it is that much of a safety concern. If we could get that on the table I would greatly appreciate it and thank you Chief for saying that it is a safety issue.

Alderman DeVries stated first a comment if I might because I understand you are in agreement with the 4% that the Mayor took that goes into a salary adjustment account. So in your salary line item he is indicating that there will be some salvation for you at the end of the day through that salary adjustment account and you seem to be comfortable with that after your meeting with him correct?

Chief Kane replied yes and I am learning more and more about this salary adjustment account. You talked about it earlier with the Police Chief and how that is going to work with him. You know there was some discussion on whether the Mayor had the authority or it had to go to the Board and how all of that works.

Alderman DeVries responded we will work on it. The next question is regarding overtime. You indicated that we are level funding overtime based on what you did last year and last year we had a station closed and that is what enabled you to be able to perform at last year's number. So which station are you closing this year because you are indicating it will take a pump plus a truck out of service or some combination thereof.

Chief Kane replied you are right about the last part – some combination. It may look like two trucks or something like that.

Alderman DeVries stated tell the public. They want to know.

Chief Kane responded at this point in time we haven't made that decision yet. We have been down this road before in regards to going through budgets and budget processes and until we get our number I wouldn't sit here and say well I am going to put this station out or that station out. There may be different factors that cause me to change my mind from day to day depending upon what trucks are in and what trucks are out. For instance, I am not sure if you are aware of this but today Truck 1 is out of service, which means that Truck 6 is operating from downtown, which means that Truck 2 basically covers the West Side. I am sure you understand that. As you can see we need to adjust those things on a day-to-day

basis. The thing that I will say is that we will make our decision based upon the best protection for the City of Manchester and I will leave it at that.

Alderman DeVries stated I have one final comment. That would be for you to tell me because this is my third term here, what efficiencies have you done as a department that you personally have brought forward that has reduced the budget? Tell me some of the initiatives that you have brought to the plate. That is what we asked of all of our departments is to try and streamline processes and save some dollars.

Chief Kane replied I haven't really thought about that a lot. I think that as we look at the operation of the department I think we do that on a day-to-day basis in regards to trying to streamline our department and expenses. If I could pick out the biggest one thing that I have done it is probably try to manage the personnel a little bit tighter on a day-to-day basis. One of the initiatives that I had instituted and I did this about a year ago, is we were talking earlier about the over/under thing. I recognized that if I can get more people at different times of year like at spring time and I can push those people up against summer vacations I can save a lot of money and that is one of the things I try to do is to try to bring people on board and have more staff at different times of the year so that we can reduce the overtime. If we look at the department's overtime, I think that is one of the biggest areas that I try to focus on. I know it is a big number and it is probably the area that we need to focus on the most to get reduced.

Vice-Chairman Gatsas stated Alderman DeVries asked you what station you were going to close in FY07. Can you tell the public which stations you closed in 2005 to only have a \$409,000 overtime budget?

Alderman DeVries stated it was Station 7.

Alderman Roy responded no it wasn't.

Chief Kane stated I do have a print out that I could give to the Board. In 2000, 2001...

Vice-Chairman Gatsas interjected my question was in 2005. Your overtime in 2005 was \$409,000.

Chief Kane stated Engine Truck 2 was placed out of service.

Vice-Chairman Gatsas asked is that 20 people.

Chief Kane answered yes. Do you mean the year before – 2004?

Vice-Chairman Gatsas stated I am looking at 2005 in the budget book. It says 2005 actual expenditures.

Chief Kane stated 2004 there were a number of things that occurred.

Vice-Chairman Gatsas stated I am not looking at 2004. I am looking at 2005.

Alderman DeVries stated but you are talking about fiscal year 2005.

Chief Kane stated there were a number of things that occurred in 2004. Station 8 opened that year. On July 18, Truck 2 and Truck 5 were placed out of service. They were brought back into service November 7.

Vice-Chairman Gatsas asked so they were out of service for four months. How many people is that?

Chief Kane answered 16.

Vice-Chairman Gatsas asked so it is not 20.

Chief Kane answered no.

Vice-Chairman Gatsas stated continue.

Chief Kane stated that was it.

Vice-Chairman Gatsas stated that is it and that was almost 50% of your overtime that you are allocated in FY06. So I am looking at the number saying you had a whole station out and you were at \$700,000. You must have spent way too much money in overtime.

Alderman DeVries asked can I go back. I never finished. You kind of preempted me there.

Vice-Chairman Gatsas stated well because you were asking him to tell the public what station he was going to close and I happened to look at \$409,000 and saw that that was half of what he spent in FY06. Do you have an answer?

Chief Kane replied my answer is that there are two things that occurred between then and now. Well actually more than two. One is that the 16 people on those two ladder trucks were available to push up against the overtime. The second thing is that we opened up a new station that year – Station 8, which...

Vice-Chairman Gatsas interjected that would have increased your salary line item. I agree with you there.

Chief Kane stated well it also increases your overtime. The other factor is between that year and this year there have been pay raises.

Vice-Chairman Gatsas stated a \$500,000 wage increase. That is in the salary line. I was just checking

Chief Kane replied I understand your question and those are all of the answers I have.

Alderman DeVries stated we were talking about efficiencies that we constantly ask for in your department and the reason I take you there Chief is not to be critical with you but to tell you this year in the budget what you have done in the past to make up shortfalls in the budget is pretty much planned for. This year you are already covering the overtime piece by closing the stations and there is another hole in your budget yet for you to fill. I think our HR Director might address it and that is the health subsidy or healthcare line that she recommends at a certain level. It is a guess but it is potentially another hole that you will be looking to fill within your budget between the Mayor's recommendation and the recommended dollars that come out of HR. I think it is another \$300,000 shortfall if I recall.

Chief Kane responded there are some discrepancies in a few of those line items. In health there is \$300,000 and state retirement is another couple hundred thousand. FICA...there are some lines that basically come out of HR that we really don't have control over.

Alderman DeVries stated to be very truthful the holes in your budget are very small compared to cuts that are being made in other departments so the ability to fix things is probably not as great as it has been in the past. I would just ask you to revisit the thought process where so many of your employee costs are tied up in actual fire suppression there is not a whole lot of room for you to cut without cutting public safety. Whether it is through the vehicle maintenance division or whatever else makes up...you have about 6% there above salary...you don't have a high administrative cost there. I think your finance person is out of your budget so you have even smaller administrative. Thinking cap time because it is a tough budget this year.

Alderman Garrity asked when you hire a new firefighter what type of training do they require before you even consider hiring them.

Chief Kane answered we try to get them pretty far down the road. Usually before we hire them they need to be an EMT. They need to be what we call a Firefighter I, Firefighter II so they are carrying a Firefighter II certificate.

Alderman Garrity asked what line item is your training in. What is the number? Is it under staff certification?

Chief Kane answered yes.

Alderman Garrity asked what is the cost of your recruit schools on a yearly basis.

Chief Kane answered I don't have that figure off the top of my head.

Alderman Garrity asked is that in your 3" document at Merrimack Street.

Chief Kane answered yes.

Alderman O'Neil stated I just want to review the basis of this whole thing. You are still today to the best of your knowledge approximately a little over \$700,000 short in regular salaries correct?

Chief Kane responded that is correct.

Alderman O'Neil asked and approximately another \$300,000 short in overtime.

Chief Kane answered that is correct.

Alderman O'Neil stated I know you said some of this has changed a little bit but what happens July 1 if we don't make any changes in those line items. I want to make sure I am absolutely clear on this.

Chief Kane replied based on what I am aware of in conversations that I have had with the Mayor he had indicated that my salary line would be okay. The overtime line would be the area of concern and I would have to make adjustments to staffing to reduce my overtime this summer.

Alderman O'Neil asked if there was and I don't know if you heard some of the discussion that went on with Police but if there was some commitment from this Board regarding the salary adjustment account would that put you in a safe mode where you would not purposely put pieces out of service. I know sometimes it happens when you don't have a spare ladder truck and I happened to be in the back room and heard you mention that issue that is going on today so some of that happens naturally and I know you try to take advantage of it when it does happen

but if there was some assurance by this Board that we were not going to leave you hanging at the end of the year would that change your thinking about putting pieces out of service?

Chief Kane answered yes it would. I was here when you had the conversation with the Police Department and I basically agree with that whole philosophy. If that is acceptable to the Board and the Mayor then certainly it is acceptable to us.

Alderman O'Neil stated I guess it is not always how many pieces we have in service but it is how many people. They kind of seem to go hand in hand based on past practices by prior Boards and prior Fire administrations. They don't always have to. How many people do we have on duty on a shift?

Chief Kane responded 51.

Alderman O'Neil stated it is kind of a similar approach to the Police. It is how many people you have out there. I will say this. I have been here when a certain piece is out of service this week and another one in another section of the City another week. I don't know if that is great for the City of Manchester. I still think today there is a sign that they for some reason they kept on Calef Road that says Fire Station Closed Today or something similar today because we have been through this process. I think if you go online and look up Springfield, MA and their Fire Department they list fire stations. They might have five or six fire stations with a note next to them that say may be out of service on a daily basis. I don't know that that is in the best interest of the citizens of this City. Number one I hope that we can keep all of our fire stations open and properly manned and I make a commitment to the Chief to do that. We have had a lot of discussions with the Fire Department over the years. They don't know how many people are going to be hurt and they need to fill those positions with overtime. They don't know how many people are hurt and on worker's compensation. They have had periods of time when they have had firefighters injured or ill outside of the fire service that they have to cover. It is unfortunately a roller coaster for them and I think if Joe had a complete handle on it he wouldn't be the Fire Chief in the City of Manchester. He would be doing something else and making a whole lot of money. It is not an exact science unfortunately. We need to give them the tools to do the job. We just saw them in action a couple of days ago. They saved 12 people at a fire on Concord and Walnut Streets. We never know when they are going to pop up or in what section of the City they are going to pop up in. They are not necessarily exclusive to the inner City. Some of our more serious fires have happened in the outer sections of the City. I, for one, make a commitment that we are not going to leave them hanging at the end of the year and that if we can accomplish it through the salary adjustment line we need to do that. We need to

make a commitment to them so that we don't go through this. I think it sends a wrong message to the citizens of this City.

Alderman Thibault stated I just heard you say that Truck 1 is out of service and you have Truck 6 downtown.

Chief Kane replied that is correct.

Alderman Thibault asked how long a stint will that be.

Chief Kane answered one more week.

Alderman Thibault asked how much does that affect our response time by.

Chief Kane answered it does affect the response time.

Alderman Thibault asked why is it always the West Side that gets it.

Chief Kane answered that is not true. Again, what I try to do on a day-to-day basis is make sure that we put our best foot forward in regards to the Fire Department. I wouldn't say that we choose the West Side as opposed to the East Side. I would not say that. What is occurring is that where we have Truck 1 out of service, which is an articulating boom, the only other articulating boom that we have in the City is Truck 6 and we bring that downtown. What is that in regards to...and the reason we do that is it is centrally located and can be dispatched to anywhere in the City quicker. What it does to that location is it...there is a reduction in time for a ladder truck to get to a structure. What is that time? Depending on where it is in the district it could be three or four minutes or maybe five minutes on the outside. So there is some change in that but we do that. That is how we function. I would like to say one final thing. There are different philosophies in regards to how you run fire departments. One of the philosophies is let's close a fire station or let's do this and let's do that and do it towards specific wards or something like that. I have never, ever done that and I have never, ever said let's close a fire station. That is not my style. This administration has been steadfast on two things. Number one, we don't close fire stations and number two we have never laid off a firefighter.

Alderman Lopez stated I just want to get back to a couple of things here so I don't lose...I think you are short \$1.9 million in your total budget according to your documents here because we gave you \$120,000 just a few minutes ago. I just want to verify that. Your state retirement, which is an obligation is \$221,000. Are we saying we need to add the \$1.9 million to meet all of these obligations?

Chief Kane responded what you are doing is going to the bottom line of that budget and there are a lot of things in that budget that I have no real control over and access to. What I would focus on is really instead of going to that bottom line is focus on the line items on the previous page that I highlighted. Just the salary lines and the energy lines.

Alderman Lopez replied that is what I am looking at. You are talking about the first page where you have \$1.3 and the \$349,918. You only have two numbers on the first page.

Vice-Chairman Gatsas asked do you want me to help you because I think I can get to where you want to go.

Alderman Lopez answered go ahead.

Vice-Chairman Gatsas stated the budget starts at \$24,138,357. We are going to put some numbers on the white sheet of paper. From that I have subtracted \$717,608, which is the salary adjustment account plus the Business Officer, which the Chief agreed to. That came out to \$23,420,749. From that I subtracted the health of \$368,878, which leaves us \$23,051,871. I am going over to where the Mayor's line item was for health. The next one is the overtime because I think we can agree that \$409,000 in FY05 with a complement of 20 people being out...I don't know why the overtime jumped in FY06 to \$777,000 because you still had those same 20 people out.

Alderman O'Neil stated they were not out. They were available to fill in.

Vice-Chairman Gatsas responded right but they were available to fill in in FY05 also and the overtime in FY05 was \$409,000.

Alderman O'Neil stated I don't remember when the construction started at Station 2. Does anyone remember?

Vice-Chairman Gatsas stated I was just comparing 20 to 20 because they said they had 20 people in FY05 to keep the costs down. I am just trying to compare numbers because then it jumps almost \$400,000 to get into FY07. So I pulled that line item out because we are going to have it in the salary adjustment account at some point but I am just saying that it doesn't make sense how it moved from \$400,000 to \$700,000 in a two year period. Wages only went up \$900,000. You almost have as much in an overtime increase as you do in a wage increase. That brings us to \$22,718,871. We took the rust repair and protective clothing out for \$120,000. That brought us down to \$22,598,871. I agree with the Chief on the FICA but I am going to flatline it because the FICA as you can see is not based on

your full complement because we don't pay FICA on firefighters. They don't collect Social Security but there are some people in between there that do so I left that at the \$306,000 and took out \$90,000 where the Mayor took our \$177,000 so it left \$87,000. It is basically back to the \$306,000 that was in FY06. That brings you down to \$22,508,871.

Alderman Lopez asked is that with a full complement.

Vice-Chairman Gatsas answered as we did before obviously where the Chief's request was \$15,368,096 I assume that is a full complement. Am I correct Chief? Your requested budget for FY07?

Chief Kane replied that is correct. That is a full complement.

Alderman Lopez stated I just want to make sure. It is \$22,508,871 and your total complement is what Chief?

Chief Kane replied 258.

Alderman Lopez stated so that takes care of everything for all of the firefighters minus the BSO.

Chief Kane replied correct.

Alderman Lopez asked if you lose the BSO who is going to do this.

Chief Kane answered that is a good question. I do have a handout that I would like to pass around.

Alderman Lopez asked while that is being done maybe you can answer another question. The \$242,000 that you have left in the overtime account. Is that going to be wiped out by June 30?

Chief Kane answered it is going to be close but I think there will be money left over in that account.

Alderman Lopez asked so probably about \$160,000 you will use out of that \$242,000.

Chief Kane stated it is kind of hard to say. If I had a lot of people that got injured or were out sick.

Alderman Lopez replied that is fine. You might use it all or you might need some more.

Chief Kane stated in regards to the BSO we were quite concerned when we heard we were going to lose our BSO. It kind of took us a little bit by surprise. Our staffing in the Fire Department, especially in Administration, is pretty small. We don't have a lot of people there. The BSO basically heads up that whole administrative wing. My concern is who is going to be doing this work? What is going to be happening to the BSO? I expressed those concerns to the Mayor in our meeting. He had indicated that he was going to be looking at this and had a couple of different IDIEAs. He didn't really express what was going to happen but we certainly do have a lot of concern in regards to the position and the job that is done. Obviously we are talking about Brent Lemire who is right here. He has been in that position for 30 years and as he said to me what do they think I have been doing for the last 30 years. That position is certainly someone that manages the fiscal end of the department and also manages the administrative personnel end of the department so there is a lot going on with very few people. To eliminate someone from that staff, basically in Administration there are four people for a \$20+ million budget. There are not alone. Not only do they do the budgets but they do the records and the personnel and the workman's compensation. They do a lot.

Alderman Lopez asked who does the job when he is on vacation.

Chief Kane answered his job is split between the other three people.

Alderman Lopez asked three deputies or three people in the office.

Chief Kane answered three people in the office.

Alderman Lopez asked Kevin are there any duties here since this was recommended by...I don't know who and I will leave that alone but are there any duties you would take over as the Finance Officer if we lose the BSO.

Mr. Clougherty answered I am just getting his list here. I haven't had a chance to look at what his duties are.

Alderman Lopez asked in the proposal of eliminating BSO's I think the Finance Office had a plan that came forward to us a couple of years ago indicating that we didn't need BSO's and they could take care of things. That is what I was referring to.

Mr. Clougherty answered our position ahs always been that you could do some consolidation. If you did it in a comprehensive manner I think that is a good thing. We had discussions about that. In terms of what duties might be assumed by our office I would have to take a look at what are the duties that the Fleet Manager is going to do. If the Fleet Manager is going to reduce the number of calls we get from all of the different departments regarding fleet related costs and expenses that might be something that is beneficial to us and we could help out on another end. I can certainly give you a written response. I can give it to you next week.

Alderman Lopez stated I just wanted to know that a department has to know and he is responsible as you are well aware of for his department and if the information is not in hand when questions come up for him to make decisions and he can't wait 24 hours or in some cases even an hour to go to the BSO to say do I have money in there to do this. I just want to make sure that before I vote on taking somebody out that is somebody's right hand person from a \$20 million operation that that department head is not strangled.

Mr. Clougherty responded a lot of what the BSO's do is analysis as I understand it. The day-to-day entry work is done by Susan and the other people in the office. Information is put into the system every day. Rather than speak tonight I will talk to Brent and...

Alderman Lopez interjected out of courtesy I would like to give the BSO an opportunity to speak before us because I want to make sure his job is not just a janitor.

Brent Lemire, Business Service Officer, stated in response to Mr. Clougherty's assessment of our duties and I would like to ask Mr. Clougherty to please take a look at the sheet but I have been here 33 years and especially over the past 19 years we have been managing budgets or told to manage budgets at current levels that have been very difficult. In the past we have been told that we have to cut and cut and I understand that but we have increases in utilities and increases and salaries and that has forced a lot of the departments and a lot of the City employees to, once they lose positions that are not filled, a lot of us have taken on additional responsibilities that weren't in our job descriptions. I would like to say that the City has some of the best employees I have seen anywhere and we do what we have to to get the job done. My job was only financial but I have had to adapt because only 2.7% of our staff is administrative. We have had to adapt. I think all of us do what we need to do. It doesn't matter what our job description is I would say 60% of my job duties listed are not financial. So Alderman Lopez I think you are right that some of these positions that are being removed will strangle the department head and not allow them to function because we have had to function at lesser levels over the years and we have been doing that and we are

going to keep doing a good job like we have done. Again, I would ask that you look at my job duties before you make a decision.

Alderman O'Neil stated I have a question for the Finance Officer. Do we know in the cases of the BSO recommendation to go to Fleet Manager wherever that is located and the purchasing person in Highway that is recommended to go to Central Purchasing those positions are funded so if there was a decision to not move forward with those now it has no impact on anything correct?

Mr. Clougherty responded both of those positions are funded in the Mayor's budget. The Central Purchasing one I have been asked to speak about when we do our presentation, which talks about rebates for the purchase cards. They are fully funded. As long as you do the purchase card program there are sufficient dollars to fund the Central Purchasing.

Alderman O'Neil asked but if we don't implement the purchase cards on July 1 there isn't enough money.

Mr. Clougherty answered if you made the commitment as part of the budget it may not start on July 1 in terms of the rebates coming back but by the end of the year there would be so yes it would be funded by the end of the year. If you approved it in June as part of this budget the Central Purchasing card program will generate sufficient dollars to cover Central Purchasing.

Alderman O'Neil stated I don't want to debate the card system but if for some reason we didn't implement that and moved that person back to Highway they are not funded.

Mr. Clougherty responded that position.

Alderman O'Neil asked regarding the Fleet Manager if that doesn't move forward and Mr. Lemire is moved back to the Fire Department that is funded.

Mr. Clougherty answered I would have to check the Mayor but my understanding is that is funded.

Chief Kane stated my understanding is that it is funded in the fleet line.

Alderman O'Neil asked can we get some confirmation on that somehow.

Alderman Lopez stated we keep saying individuals. Now I would like to have a clarification. If we are going to eliminate a position at the Fire Department, that doesn't necessarily mean in my viewpoint and we can let the HR Director speak to

it but that individual is going to be the one that is hired if we are going to go another way because we have ordinances and all of that and I think they are being looked at. Can the HR Director comment on a guaranteed position for an individual that is moved out of a department?

Ms. Lamberton responded it would be my observation that it depends how you do it. At some point in time though we would have to develop a class specification and all of that and what salary grade it is going to be at because those are all unknown. If you take the incumbent and the position and move it, we still have to look at the position and see whether or not it is appropriately titled and graded. I am not sure what the Mayor had in mind for that.

Alderman Lopez stated the other part of the question is if we were to eliminate a position in one department to create another position at another place then the person hiring that individual could select anybody he wants.

Ms. Lamberton responded that is correct. You have requirements in different contracts as well as ordinances to post positions and people in the department have first dibs on it so to speak and once you are done with the in-house people then you can hire somebody from another department or outside.

Vice-Chairman Gatsas stated I don't know about anybody else on this Board but I can only speak for myself. If we are creating a position and telling the gentleman at the Fire Department that he is moving over and that doesn't happen that is not where I am going. What I am saying is if somebody has already made the decision that and they think that moving Brent into that position is the best thing for the City of Manchester then that is fine but not to take somebody who has been with the City for 33 years and play a game and say this position is eliminated and he doesn't get hired at the other one. I am not playing that and I don't know if anyone else is.

Alderman O'Neil stated I agree with you 100%.

Alderman Lopez stated I totally agree with you. I just want to make that perfectly clear.

Vice-Chairman Gatsas responded I just did.

Alderman Lopez stated you did but there is a City Solicitor behind you too and other people who...the department head hires the individual. If that individual came under Finance, the Finance Officer would say who is going unless you change the ordinances and all of that. I just wanted clarification. I am with you.

Vice-Chairman Gatsas stated I am sure we can change an ordinance or repeal an ordinance or whatever you want to do.

Solicitor Clark stated Alderman Gatsas is correct. Depending on what the structure eventually looks like and how this thing is set-up you will pass the appropriate ordinances and if you wanted to transfer, and it has been done in this City in the past, transfer bodies from one department to another department it is done through an ordinance but it is not a rehiring. It is not a termination of one employment and a hiring again. It is just a transfer of the person.

Alderman Lopez stated I just wanted that cleared up.

Alderman Roy stated I have a couple of questions. We are trying to fill in this blank sheet of paper and the first subtraction was \$717,000, which includes \$614,000, which is the 4% vacancy. The other \$103,000 includes the salary for the BSO. Looking at just the 4%...I have been here for a number of years and I am glad to see that unlike the police officers that are always out hiring and trying to get people out on the street, have you ever had a 4% vacancy. I know you manage it and you are at a full complement now or you are missing one communications person.

Chief Kane replied no we have never had a 4% vacancy.

Alderman Roy stated the majority of your department is your firefighter line – 165 members. Then there is a staff above them of lieutenants, captains and district chiefs. Can...I know you have some comfort with the salary adjustment line item but I am very worried that that \$1 million is getting promised to too many departments so my concern is if you have never been there why are we going down this road and accepting the Mayor's number?

Chief Kane responded all I can do is accept the Board and Mayor's assurances.

Vice-Chairman Gatsas asked what is the average number of retirees per year.

Chief Kane answered the average number of retirements is eight.

Vice-Chairman Gatsas asked do they all fall on the same day.

Chief Kane answered no.

Vice-Chairman Gatsas stated so your 4% vacancy is probably pretty close.

Chief Kane replied correct.

Alderman Roy stated my understanding of a vacancy line item is the salary not being paid to an employee covers that 4% amount. Correct me if I am wrong but when you have openings you fill them almost immediately?

Chief Kane responded well I don't fill them almost immediately because what I try to do is build them so that when I am going into my high vacation periods I am going to be fully staffed. If I have a position that is open in January and February I may not staff that person during that period of time so I can save some money in overtime. I certainly want to staff before we go into June, July and August.

Alderman Roy stated my numbers...in order to meet the \$614,000 deficit of your salary you have to keep upwards of eight positions open for 12 months. Has that ever been done or been close in your department?

Chief Kane replied no.

Alderman Roy asked how close have you ever gotten. Give us a five or ten year...what is the maximum you have had for the maximum amount of time?

Vice-Chairman Gatsas stated be careful because I am going to ask him that same average for overtime.

Chief Kane replied it is getting late. I have to go back in history here and I would only be guessing.

Vice-Chairman Gatsas stated you can get back to us.

Alderman Roy stated I believe the number you are going to come up with is about four employees for a maximum of two to five months and that is a long way from eight employees for twelve months so I have some very serious concerns that that \$1 million is being spread out in a number of directions and we all sit here saying that we back police and fire but when it comes down to not having the dollars left we may not be able to put our money there in eight or nine months.

Chief Kane stated I don't think it would be that high...the number may be that high but there are a number of factors. If there are that many people going I am filling them quicker because as Alderman Gatsas knows anytime I have that empty position I am going to have to be paying overtime, which is not what I am about. The other thing is too that since I have been able to go to this over/under thing if I see a vacancy coming up I may hire beforehand.

Alderman Roy replied which we want to support you in Chief.

Alderman O'Neil stated I don't know if we ever cleared up that \$102,000 difference between the \$717,000 and the \$614,000. Can you get back to us? You may have to reach out to the Mayor.

Vice-Chairman Gatsas responded that is the BSO without benefits.

Alderman O'Neil stated well that is a \$30,000 difference. I am sure Brent would love to be making \$102,000. Can we check that out? Just a comment about the fleet that Alderman Thibault brought up. I don't remember that we have ever had a spare ladder truck since I have been around here so anytime there is one out of service we are less one ladder truck. We finally, through many members of this Board supporting the replacement of vehicles in the Fire Department, we finally on the pumper side have a decent fleet that runs and works and I don't think it was all that long ago that one of our three spares had to be put out of service. Am I correct on that? I know it has been brought to Alderman Garrity's attention. The engine in his ward is due for replacement this year and we have to somehow figure out how we can get that in the CIP budget. So we have never had enough spare vehicles to keep everything going. Just finally Alderman Roy brought up earlier the District Chiefs. I, for one, am very concerned about it. I don't know how we do it in the middle of this budget. I think it is a safety issue. I think we have rolled the dice and the dice have been on our side but there is going to be a fire or an incident where it is not. I hope we do give some very strong consideration to that.

Alderman Shea stated first I want to thank the Fire Department for allowing Ward 7 to use the firehouse for the neighborhood meeting.

Chief Kane responded you're welcome. If you remember, Alderman, that is what the fire station is there for. I heard that you had a good crowd up there the other day.

Alderman Shea replied it was a very good crowd and a lot of things were discussed and Deputy Chief Aubin was there to lend his support. The second thing is generally speaking we don't really have enough detail concerning Central Purchasing and Fleet Management. I would appreciate for maybe the edification of the Board members if we could get some definitive data and details regarding the approach that the Mayor hopes to achieve and when he hopes to achieve that. I know we are going to have meetings in the coming weeks but by the same token I think the earlier we learn about this the better it is when we are talking about individuals and people's lives and things like that. After we finish this discussion I would like to bring up another matter before we leave.

Alderman Garrity stated I believe the Mayor was funding the Fleet Manager out of the MER account and I believe he was going to be answering to the Mayor's Office.

Vice-Chairman Gatsas responded I am sure we will hear that in the Mayor's presentation.

Alderman DeVries stated so know that you have heard all of the discussion about your budget and I hope you will excuse my sarcasm earlier because I am not convinced that I am comfortable with the level of funding or the reduction. I see somewhere between \$700,000 and \$900,000 that I think you might be groping for in this budget. Are you comfortable? If you say you could make it with the money put aside...it is the same question I asked the Police. If we put the salary adjustment aside, that \$1 million to play with at the end.

Chief Kane asked so the question is am I comfortable with the...

Alderman DeVries interjected you will not have reductions beyond the two trucks that you are calling out already.

Chief Kane replied I think yes but let me just kind of reask the question to make sure that I understand. Am I comfortable with the budget as it sits? In my conversation with the Mayor in regards to staffing in that 4% would be in salary adjustment and the second part of that puzzle was I wasn't really sure where you were with on overtime. Is the overtime part of that or are you saying...if it is not part of that I am looking at the two trucks for a period of time.

Alderman DeVries responded let me clarify because what I have heard is the Mayor's budget proposal. We have taken \$120,000 out of contingency for the rust and other than that you are, through truck reduction and fleet reduction and saving your overtime...my question is are you going to meet the goals as you have laid out here.

Vice-Chairman Gatsas asked for clarification are you asking him off the Mayor's budget.

Alderman DeVries answered yes off of the Mayor's budget.

Vice-Chairman Gatsas asked so it has nothing to do with the conversation I had with Alderman Shea about the clean piece of paper number.

Alderman DeVries answered off the Mayor's budget because that is what you wrote your response to. It is a simple...it is late and we are all tired. Just a yes or no. I am comfortable or I am not comfortable.

Chief Kane replied yes.

Alderman Lopez stated that salary adjustment account will be close to \$3 million.

Alderman Shea stated I want to help you out.

Chief Kane asked can I just thank the Board for allowing us to come. Thank you for all of the time you have taken because you certainly have put some time and effort into this process.

Alderman Shea stated I want to help you out Alderman Gatsas. You were very vehement about the ombudsman program. I say we should send a letter to the School District saying that we are not in favor of them eliminating that program from their budget under any circumstance or for any reason. Do you want to do that or not?

Vice-Chairman Gatsas responded I don't have a problem but we ought to wait and see what they heard today and what they come back to this Board with.

Alderman Shea stated we all feel strongly about this and the point of the matter is if they have that little incentive going for them I think it makes a lot more sense then them not having it.

Alderman O'Neil asked is that the overall...I considered PASS a specific program which I am very familiar with and I don't know if the other term is being used in a broader matter. I thought that was a separate program from PASS.

Vice-Chairman Gatsas answered the problem is that I don't want to say we keep Ombudsman and they eliminate the PASS Program.

Alderman Shea stated put them both in there.

Alderman O'Neil stated if you recall there was that and STAY or something else and I asked for an explanation of what those are.

Vice-Chairman Gatsas stated I don't have a problem with your recommendation Alderman Shea but we have another seven or eight meetings and we can certainly send that letter and I appreciate your vote of confidence.

There being no further business, on motion of Alderman O'Neil, duly seconded by Alderman Garrity it was voted to adjourn.

A True Record. Attest.

City Clerk